

**DATE: JANUARY 20, 2026**

**FROM: PORT PILOTS**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE PERMANENT ORDER AMENDING PORT OF LOS ANGELES TARIFF NO. 4, SECTION THREE, ITEM NO. 330 – “CHARGES FOR PILOTAGE.”**

**SUMMARY:**

Staff requests approval of a Permanent Order to amend Port of Los Angeles (Port) Tariff No. 4 (Tariff), Section Three “Pilotage”, Item No. 330 – Charges for Pilotage. The City of Los Angeles Harbor Department (Harbor Department) provides essential pilotage services for all vessels of 300 gross tons or more entering the Port of Los Angeles (Port). Each vessel is subject to a tariff that comprises a mill rate charge based on the vessel’s gross registered tons (GRT), overall length (LOA), draft surcharge (DS), and a general assessment for capital improvements, maintenance, and training (Surcharge per Move), along with a Standby Charge, a Cancellation Charge, and a provision regarding the minimum charge for pilotage.

The proposed amendment would (i) implement a five-step annual increase across all pilotage fee schedules and (ii) merge the current inter-harbor and intra-harbor rate sections into a single entering or leaving rates section, removing the separate inter-harbor and intra-harbor rate sections, as well as iii) remove a currently existing exception (Exception 2). Starting March 1, 2026, the GRT fees would increase to \$0.00881, fees related to LOA and DS would initially rise by 6.5 percent, and the Surcharge per Move would increase to \$146.84. Starting January 1, 2027, and each January 1 up to and including January 1, 2030, all pilotage-related fee schedules will increase by 6.5 percent. In 2030, the Harbor Department will assess whether further fee increases are necessary over the following five years.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is statutorily exempt from the requirements of the California Environmental Quality Act (CEQA) under Section 15273 of the State CEQA Guidelines;

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2. Approve the amendment to the Port of Los Angeles Tariff No. 4, revising Section Three “Pilotage”, Item No.330, subject to review and approval by the California Association of Port Authorities, and authorize the Executive Director to collaborate with the California Association of Port Authorities to secure this approval or to take independent action in accordance with their procedures;
3. Adopt Permanent Order No. \_\_\_\_\_ to amend Section Three, “Pilotage,” Item No. 330, of the Port of Los Angeles Tariff No. 4, effective March 1, 2026;
4. Direct the Board Secretary to transmit to the City Council for approval the Permanent Order and the Ordinance approving and authorizing the amendments to Port of Los Angeles Tariff No. 4 pursuant to City Charter 653(a);
5. Direct the Board Secretary to transmit to the City Clerk a Notice of Public Hearing for publication in accordance with the provisions of California Government Code sections 66018 and 6062a;
6. After the effective date of the Ordinance, transmit the Permanent Order and Ordinance to the Executive Director or their nominee for implementation and posting to the Port of Los Angeles website; and
7. Adopt Resolution No. \_\_\_\_\_.

**DISCUSSION:**

Background/Context

The City of Los Angeles, acting by and through the Board of Harbor Commissioners, maintains a team of federally licensed port pilots available to provide piloting services for all vessels 300 gross tons and over entering, departing, or shifting within the Port. All vessels requiring a pilot are subject to the Tariff.

The four main factors determining the pilotage tariff currently include the total GRT, LOA, DS, and a Surcharge per Move. Additional fees may include charges for a second pilot, standby services, a minimum pilotage fee, or cancellation charges.

Previous Board Action

On July 1, 2016, pursuant to Board Resolution No. 16-7202, the Tariff was amended to increase the LOA by 10 percent, increase the GRT from \$0.00334 to \$0.0060, and increase the Surcharge per Move from \$52.00 to \$100.00. All other fees related to pilotage increased by approximately 10 percent. Board Resolution No. 16-7202 also approved expanding the LOA fee to include any vessel 394 meters and over.

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On January 1, 2017, pursuant to Board Resolution No. 16-7214, the Tariff was amended to increase the LOA by 25 percent, increase the GRT from \$0.0060 to \$0.0063, and increase the Surcharge per Move from \$100.00 to \$105.00.

On October 1, 2017, pursuant to Board Resolution No. 17-7222, the Tariff was amended to increase the LOA and all other fee schedules related to pilotage by approximately 14 percent. The GRT remained at \$0.0063, and the Surcharge per Move remained at \$105.00.

On March 18, 2021, pursuant to Board Resolution No. 21-7295, the Tariff was amended to implement a five-step increase affecting all fee schedules related to pilotage. This amendment increased the second pilot fee from 50% to 100% and established a DS for each vessel requiring pilotage, initially set at \$6.00 per foot of draft. Effective April 1, 2021, the GRT increased to \$0.00665, the LOA fee rose by 5.6 percent, and the Surcharge per Move was raised to \$110.88. Starting January 1, 2022, the DS increased to \$12.00 per foot, and all other pilotage-related fee schedules increased by 5.6 percent. Beginning January 1, 2023, and continuing each January 1 through 2025, all fee schedules associated with pilotage were adjusted by 5.6 percent.

Currently, the estimated cost of the pilot service for Fiscal Year (FY) 2025-2026 is \$16,049,340. If the proposed fee increases are not approved, FY 2025-2026 pilotage revenues are expected to be \$14,541,801, resulting in an operating loss of \$1,507,539. Absent any action regarding pilotage fees, this operating loss is expected to grow over time as expenses continue to increase with inflation.

Amendment to Tariff No. 4

The Harbor Department proposes amendments to Port Tariff No. 4, Section 3 “Pilotage”, Item No. 330 (b), (d), (e), (f), (h), (i), and revises Item No. 330 (b) to combine the current inter-harbor and intra-harbor rate sections into a single entering or leaving rates section, eliminating the separate inter-harbor and intra-harbor rate sections and existing Exception 2. (Transmittal 1).

Effective March 1, 2026, the GRT would increase to \$0.00881, the fees related to LOA and DS would initially rise by 6.5 percent, and the surcharge per move would increase to \$146.84.

Effective January 1, 2027, and each subsequent January 1, all fee schedules related to pilotage would increase by 6.5 percent. In 2030, the Harbor Department will reassess whether additional fee increases are needed over the next five years.

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(rounded to nearest \$)	<b>Existing</b>	<b>Mar. 2026</b>	<b>Jan. 2027</b>	<b>Jan. 2028</b>	<b>Jan. 2029</b>	<b>Jan. 2030</b>
GRT	\$ 946	\$ 1,008	\$ 1,073	\$ 1,143	\$ 1,217	\$ 1,297
LOA	\$ 4,603	\$ 4,902	\$ 5,221	\$ 5,560	\$ 5,922	\$ 6,307
Surcharge/move	\$ 138	\$ 147	\$ 156	\$ 167	\$ 177	\$ 188
Draft	\$ 608	\$ 647	\$ 690	\$ 734	\$ 782	\$ 832
<b>Total</b>	<b>\$ 6,295</b>	<b>\$ 6,704</b>	<b>\$ 7,140</b>	<b>\$ 7,604</b>	<b>\$ 8,098</b>	<b>\$ 8,624</b>

The proposed amendment to the tariff is expected to increase revenues to a level that will adequately finance employee salaries, training expenses, maintenance costs, and other operational expenses.

Despite the suggested increases, the pilotage rates used by the Port are expected to remain among the lowest on the West Coast of the United States. If the proposed pilotage rate increases are approved, over the five-year period from July 1, 2025, to June 30, 2030, total pilotage revenues are estimated at about \$87.8 million, compared to total Port Pilot operating expenses of \$87.7 million. The proposed rate increases would therefore lead to a total operating income of \$0.1 million over this five-year period.

Permanent Amendments to Tariff No. 4 (Transmittal 2) require the approval of the Board and City Council by Ordinance (Transmittal 3).

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval to temporarily amend Tariff No. 4 Section Three, Item No. 330 – Charges for Pilotage, which is a modification of rates, tolls, fares, or other charges by public agencies for the purpose of meeting operating expenses, including employee wage rates and fringe benefits. Therefore, the Director of Environmental Management has determined that the proposed action is statutorily exempt from the requirements of CEQA in accordance with Section 15273 of the State CEQA Guidelines.

**FINANCIAL IMPACT:**

Approval of the proposed amendment to Tariff No. 4 would increase the GRT, LOA, DS, and Surcharge per Move, along with a Standby Charge, a Cancellation Charge, and a provision regarding the minimum charge for pilotage. It would also merge the current inter-harbor and intra-harbor rate sections into a single entering or leaving rates section, eliminating the separate inter-harbor and intra-harbor rate sections and the existing Exception 2.

Assuming the proposed increases become effective on March 1, 2026, and that the pilot service achieves a minimum of 3,200 moves in FY 2025-26, pilotage revenues would increase by \$792,205 compared to the pilotage revenues that would have been earned under the existing Tariff during the remaining four months of the fiscal year.

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The proposed increases of 6.5 percent for the GRT, LOA, DS, and Surcharge per Move components of pilotage revenues, starting March 1, 2026, along with an additional 6.5 percent increase each January 1 thereafter, are projected to generate aggregate incremental pilotage revenues of approximately \$14.8 million, or \$2.95 million per year on average, assuming at least 3,200 moves per year are achieved through January 2030.

**CITY ATTORNEY:**

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

**TRANSMITTALS:**

1. Pilotage Rate Table
2. Permanent Order
3. Ordinance

FIS Approval:   
CA Approval: 



JOHN L. DWYER  
Chief Port Pilot



THOMAS E. GAZSI  
Chief of Public Safety  
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APPROVED:

*Erica M. Calhoun* for

EUGENE D. SEROKA  
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