

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF LOS ANGELES
AND THE CITY OF LONG BEACH

JOINT DEVELOPMENT OF PROGRAMS AND STRATEGIES
TO IMPROVE PORT INFRASTRUCTURE AND CARGO MOVEMENT EFFICIENCIES

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is made and entered into by and between the CITY OF LOS ANGELES, a municipal corporation, acting by and through its Board of Harbor Commissioners, at its meeting of _____, 2020, and the CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners, at its meeting of _____, 2020 (collectively "the Parties").

WHEREAS, this MOU is entered into pursuant to the authority granted under, and in furtherance of, *The Los Angeles and Long Beach Port Infrastructure and Environmental Programs Cooperative Working Agreement*, FMC Agreement No. 201219, as amended;

Whereas the Port of Los Angeles and the Port of Long Beach respectively acknowledge their individual and independent roles in the betterment of international trade and commerce, and jointly share in the nation's gateway for such international trade by handling approximately 37 percent of all waterborne goods entering the United States, representing over \$312 billion in trade value;

WHEREAS, the Port of Los Angeles' and the Port of Long Beach's geographical advantage provides direct access to all 435 United States Congressional Districts through a regional distribution network of nearly two billion square feet of warehouse and distribution center space, connected to an unparalleled trans-continental rail infrastructure;

WHEREAS, the Port of Los Angeles and the Port of Long Beach combined have approximately 3,400 acres of container terminal land, spread over thirteen terminals with eleven different terminal operating systems, two class one railroads, one short line rail, 15,000 longshore work force, 1,100 motor carriers, and 16,000 truck drivers who handle approximately 60,000 truck moves daily;

WHEREAS, all major global container shipping lines, most operating in one of the three major shipping alliances have services calling on Port of Los Angeles and Port of Long Beach terminals, many deploying Ultra Large Container Vessels providing services to the import and export community who expect a predictable, reliable, transparent and agile supply chain;

WHEREAS, the international supply chain involves many stakeholders, each independently managing their own service requirements and expectations, which contributes to the challenges found in the effective transfer and final delivery of goods;

WHEREAS, the Parties seek to discuss opportunities for service enhancements at landside transfer points between marine terminals, motor carriers and railroads; and

WHEREAS, as authorized by FMC Agreement No. 201219, the Parties are uniquely positioned to engage the Port of Los Angeles and Port of Long Beach supply chain stakeholders so that the Parties may jointly collaborate in developing and implementing port-related transportation projects and programs for the benefit of the San Pedro Bay area and the nation;

NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:

1. ACTIVITIES TO BE UNDERTAKEN. Pursuant to the authority granted in FMC Agreement No. 201219, the Parties shall form a working groups to write plans for the joint development and implementation of programs and strategies focused on each the following areas:

- Cargo Transfer Predictability
 - Gate velocity - Process improvements that supports the fast, reliable and efficient transfer of containers between terminal operators and trucks.
 - Rail reliability – Improved coordination and transfer of containers between ocean carriers, terminal operators, and railroads.
 - Chassis provisioning – Improving the availability and utilization of chassis in the gateway.
- Supply Chain Connectivity
 - Digital solutions – A complex-wide information portal that provides stakeholders with a common access to information on cargo.
 - Cargo reliability – Visibility of cargo conditions at any given time.
 - Universal access – An appointment system that supports the reliable and efficient transfer of containers between terminal operators, trucks, and rail.
 - Predictive analytics – Advanced cargo information that allows terminal operators, trucks, and railroads to more effectively plan and execute their operations.
- Workforce Development
 - Skilled and productive workforce – A workforce development program in cooperation with various partners including academic institutions, organized labor, and other state and local agencies that will complement employer training and maintain the ports' position as an economic engine for the region, as well as continuing each port's overall competitiveness in the international trade arena.

- Cybersecurity
 - Increase port stakeholder cybersecurity by bolstering information sharing and collaboration while fostering increased planning, prevention, mitigation and response protocols for cyber incidents in order to minimize impacts to the supply chain.
- Metrics
 - The tracking of key performance indicators that show how well each port is doing to meet stakeholder needs for a fast, reliable, and cost effective port gateway.

2. TERM OF THE MOU. This MOU shall be effective upon full execution by both Parties and shall continue in full force and effect so long as FMC Agreement No. 201219 is in effect and unless terminated by either Party pursuant to the terms of the MOU.

3. TERMINATION. Either Party may terminate this MOU for any reason by providing a written notice of its intent to terminate upon ten-calendar days written notice to the other Party.

4. OWNERSHIP OF DATA AND RECORDS. The Parties agree that all records, exhibits, work product and all information collected from the working groups pursuant to this MOU are to be the joint property of the Parties.

5. NOTICES. Any notices given under or pursuant to this MOU shall be in writing and served by mail or by personal delivery. When so given, such notice shall be effective two calendar days after the date of mailing if mailed in the United States mail, postage prepaid, or upon personal delivery, if not mailed. For the purpose hereof unless otherwise provided in writing by the Parties hereto, the address of the Port of Long Beach and the person to receive any such notice on its behalf is Executive Director, Port of Long Beach, (P.O.Box 570, Long Beach, California 90801). For the Port of Los Angeles, the person to receive notices on its behalf is Executive Director, Port of Los Angeles, P.O. Box 151, San Pedro, California 90733.

6. COOPERATION AND STAFF COSTS. Both Parties pledge to cooperate with each other on the work set forth herein, provide timely updates to their respective Board of Harbor Commissioners, and agree that each Party will absorb its respective staff costs necessary to implement and meet the obligations of this MOU.

7. ENTIRE AGREEMENT. Other than FMC Agreement No. 201219, this MOU represents the entire agreement of the Parties, and merges and supersedes any prior written or oral representations, discussions, understandings or agreements by or between the Parties relating to the subject matter of this MOU.

8. MODIFICATION. No addition to or modification of any term or provision of this MOU will be effective unless set forth in writing and signed by an authorized representative of each of the Parties.

9. THIRD PARTIES. This MOU shall not be construed to bind any third party in any manner with respect to any person or entity that is not a Party to this MOU, or a successor or assign of the Party.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU on the date to the left of their signatures.

THE CITY OF LOS ANGELES, by its Board of Harbor Commissioners

Date: _____, 20

By: _____
Eugene D. Seroka
Executive Director

Attest: _____
AMBER M. KLESGES
Board Secretary

APPROVED AS TO FORM AND LEGALITY

February 14, 2020

MICHAEL N. FEUER, City Attorney

JANNA B. SIDLEY, General Counsel

By: *Henri Horn McCloskey*
Henri Horn McCloskey Deputy

THE CITY OF LONG BEACH, a municipal corporation, acting by and through its Board of Harbor Commissioners

Date: _____, 2020

By: _____
MARIO CORDERO
Executive Director

APPROVED AS TO FORM
CHARLES PARKIN, City Attorney

By: _____
_____, Deputy

Date: _____, 2020