



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

Board of Harbor Commissioners

**DATE: FEBRUARY 6, 2020**

**FROM: EXECUTIVE OFFICES**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - APPROVE A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND THE CITY OF LONG BEACH HARBOR DEPARTMENT**

**SUMMARY:**

Staff requests approval of the proposed Memorandum of Understanding (MOU) between City of Los Angeles Harbor Department (Harbor Department) and City of Long Beach Harbor Department (POLB) to further advance joint development of programs and strategies to improve port infrastructure, cargo movement efficiencies and workforce development. The term of the MOU is effective upon execution by both parties and is in effect until terminated by either party so long as Federal Maritime Commission (FMC) Agreement No. 201219 is in effect. Each party will absorb its respective staff costs necessary to implement and meet the obligations of this MOU.

**RECOMMENDATION:**

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

1. Find that the proposed action is exempt from the requirements of the California Environment 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 the Memorandum of Understanding between City of Los Angeles Harbor Department and the City of Long Beach Harbor Department;
3. Authorize the Executive Director to execute and the Board Secretary to attest to Memorandum of Understanding dated \_\_\_\_\_; and;
4. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background and Context:

The Shipping Act of 1984 (Shipping Act), among other things, grants immunity from the anti-trust laws of the United States to maritime terminal operators so that they may confer with each other and agree upon services, rates, practices and other operational decisions related to the common carriage of goods by water in the foreign commerce of the United States. In order to receive this immunity, however, the parties must file notice with the FMC in the form of a written Agreement outlining the topics and actions the parties will be undertaking together. The Ports of Los Angeles and Long Beach (Ports) are considered marine terminal operators under the Shipping Act and must comply with its requirements.

Previous Board Action:

In June 2006 the Board originally approved a discussion agreement with the POLB, known as FMC Agreement No. 201170, which authorized the Ports to discuss and agree upon joint programs and strategies to improve the port-related transportation infrastructure and decrease port-related pollution emissions.

On September 18, 2008, the Board delegated authority to the Executive Director to execute and file revisions to FMC Agreement No. 201170 with the FMC that related to the Clean Truck Program. The first revision to the Agreement added authorization for Ports to discuss and implement the Clean Truck Program and the second revised Agreement clarified the authority of the Ports to enter into Clean Truck Program concession agreements.

On December 20, 2012, the Board authorized additional revisions to FMC Agreement No. 201170, including the removal of the December 31, 2012 termination date. However, due to the 45-day waiting period from the date of filing with the FMC, Agreement No. 201170 terminated, and the FMC issued a new agreement currently Agreement No. 201219.

On December 4, 2014, the Board approved a First Amendment that clarified the Agreement purposes and discussion authority to include all the various supply chain sectors operating in and around the two ports so they may address current congestion issues, update the language around the Clean Truck Program and provide an opportunity to address some general agreement administrative items.

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Need for this MOU:

The Ports are the nation's premier gateway for international trade, handling approximately 37 percent of all waterborne goods entering the United States, representing over \$312 billion in trade value.

The SPBP 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.

The Ports 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.

All major global container shipping lines are part of three major shipping alliances which deploy Ultra Large Container Vessels providing services to the import and export community. Their customers expect a predictable, reliable, transparent and agile supply chain.

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.

The Ports seek to discuss opportunities for service enhancements at landside transfer points between marine terminals, motor carriers, and railroads. The purpose of the MOU is to authorize the Ports to form a working group to write plans for the joint development and implementation of programs and strategies focused on each of the following areas:

- Cargo Transfer Predictability
- Supply Chain Connectivity
- Workforce Development
- Cybersecurity
- Metrics

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an MOU between the Harbor Department and POLB under the authority of FMC Agreement No. 201219. Joint programs and strategies resulting from the MOU may require separate evaluation for environmental impacts in accordance with the California Environmental Quality Act (CEQA) prior to implementation. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

**FINANCIAL IMPACT:**

There is no financial impact with this MOU. Both parties will absorb its respective staff and meeting costs necessary to implement and meet the obligations of the MOU.

**CITY ATTORNEY:**

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

**TRANSMITTAL:**

1. Memorandum of Understanding



MICHAEL DiBERNARDO  
Deputy Executive Director

FIS Approval: 

CA Approval: 

APPROVED:



EUGENE D. SEROKA  
Executive Director

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