



TO THE COUNCIL OF THE  
CITY OF LOS ANGELES

Your TRADE, COMMERCE, AND TOURISM Committee

reports as follows:

Public Comments      Yes      No  
   XX      —

TRADE, COMMERCE, AND TOURISM COMMITTEE REPORT and ORDINANCE relative to a Permanent Order amending the Port of Los Angeles (Port) Tariff No. 4 to increase pilotage rates by approximately seven percent and to make changes in terminology.

Recommendations for Council action, SUBJECT TO THE APPROVAL OF THE MAYOR:

- 1. CONCUR with the Board of Harbor Commissioners action on May 17, 2006, approving Permanent Board Order No. 6875 amending the Port Tariff No. 4 to provide an increase in pilotage rates of approximately seven percent and to make changes in terminology as follows:
  - a. Revise Item 330, Parts (a) - (f), which set forth rates and changes for services of the Los Angeles Pilot Service.
  - b. Add Item 330 (g), a \$52.00 per move surcharge to be assessed for capital improvements and maintenance.
  - c. Revise Item 305 Title and Parts (a) - (f); Item 310, Parts (d) and (h); Item 330, Part (b), Exception 1 and 2, Part (c), change the term "Municipal" Pilots to Los Angeles Port Pilots.
  - d. Change reference to the term "Municipal" Pilots in Table of Contents, Page 4, Section 3 - Pilotage, to Los Angeles Port Pilots.
- 2. PRESENT and ADOPT the accompanying ORDINANCE approving Permanent Board Order No. 6875 amending the Port Tariff No. 4 to increase pilotage rates by approximately seven percent and to make changes in terminology.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that there is no financial impact on the General Fund. The proposed revenue from the seven percent adjustment to the Tariff No. 4 pilotage rates will be contingent upon the size and number of vessels and pilot assisted moves. Based upon revenue from the 2005 fiscal year (\$6.9 million), the Port estimates that revenue for pilotage rates could increase by \$540,000 for a total of approximately \$7.5 million annually.

Summary

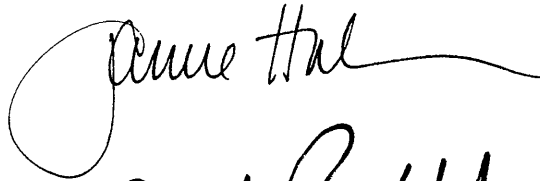
At its September 13, 2006 meeting, your Committee considered a Board of Harbor Commissioners report, Ordinance, and CAO report relative to a Permanent Order amending the Port Tariff No. 4 to increase pilotage rates by approximately seven percent and to make changes in terminology. In its July 24, 2006 report (attached to the Council file), the CAO states that pilotage rates are charges assessed against a vessel for piloting services for entering, leaving or movement in the Port of Los Angeles. The Port maintains a staff of federally licensed port pilots to perform the service of piloting vessels.

The CAO also reports that the Port states that it needs to increase the pilotage rate by approximately seven percent as well as pilot service changes to maintain and offset pilot service costs and operations (i.e., equipment). According to the Port, piloting service costs have increased over the years due to modernization of the pilot operation to provide the shipping industry with improved services, updating of the pilot vessel fleet, installation of modern computerization, and improved communications and radar capabilities. The Port requests that the effective date of the pilotage and piloting services rates increases be effective upon approval by the Mayor and Council. In June 2006, the Board approved a temporary Order to amend Tariff No. 4 for a maximum of 90 days. If the requested Permanent Order is not approved, another temporary order will have to be approved for another 90 days or revert to the old tariff rates and ordinances. The City Attorney has approved the proposed Permanent Order and Ordinance to amend Tariff No. 4 pilotage rates and other changes as to form.

During the discussion of this item, the Harbor Department representatives provided an overview of the Department's request and responded to related questions by the Committee members. After offering the opportunity for public comment on this matter, your Committee recommended that Council concur with the Board of Harbor Commissioners' approval of Permanent Board Order No. 6875 amending the Port of Los Angeles Tariff No. 4 to increase pilotage rates by approximately seven percent and making changes in terminology. This matter is now forwarded to Council for its consideration.

Respectfully submitted,

TRADE, COMMERCE, AND TOURISM COMMITTEE



*Rpt ? ORD*  
**ADOPTED**

SEP 20 2006

<u>MEMBER</u>	<u>VOTE</u>
HAHN:	YES
ROSENDAHL:	YES
WEISS:	YES

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9-15-06  
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**LOS ANGELES CITY COUNCIL**