

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE, AND TRADE COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to approving Permanent Order No. 16-7202 to amend the Port of Los Angeles Tariff No. 4 (Port Fees, Rules and Regulations Manual), Section Three, Item No. 330 - Charges for Pilotage (Pilotage).

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

1. ADOPT the determination by the Los Angeles Harbor Department (LAHD) that the proposed action is exempt under the California Environmental Quality Act (CEQA) as provided in Article III, Class 1(31) of the Los Angeles City CEQA Guidelines.
2. APPROVE the LAHD Permanent Order No. 16-7202 to amend Port of Los Angeles Tariff No. 4 Section Three Pilotage, Item No. 330 (b), (d), (e), (f) and (g).
3. PRESENT and ADOPT the accompanying ORDINANCE, dated June 16, 2016, approving Order No. 16-7202 of the Board of Harbor Commissioners of the City of Los Angeles, amending Port of Los Angeles Tariff No. 4.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that the LAHD request for the proposed amendment to Tariff No. 4, Section Three, Item No. 330 will increase charges to Pilotage fees. The increase to the Pilotage fees will reduce the current revenue shortfall, continue to provide funding for capital improvement and training, customer service delivery and efficiency, and establish a more sustainable budget model. The LAHD's proposed amendments to Tariff Item No. 330 are expected to increase revenue from Pilotage charges by approximately \$1.5 million annually in Fiscal Year 2016-17, depending on the size of future vessels and the number of Port Pilot assisted moves. Annual future revenue amounts will be contingent on the size of the vessels and number of Port Pilot vessel assisted moves. The LAHD states that the proposed increase is one of a multiphase cost recovery plan, which will enable the LAHD to operate the Port Pilot operations with a balanced budget. In addition to the proposed increases to the Pilotage charges, the LAHD is planning to conduct an efficiency or performance study on the Port Pilot services. There will be no impact to the City's General Fund from the implementation of the proposed Amendment.

Community Impact Statement: None submitted.

(Pursuant to Section 653(b), Temporary Rules or Rates, the Board shall also have the power to enact, suspend or modify any rule, regulation, rate or charge, without Council approval, for a period not to exceed 90 days.)

SUMMARY

At a meeting held on September 6, 2016, your Innovation, Grants, Technology, Commerce and Trade Committee considered a Board of Harbor Commissioners transmittal and Ordinance relative to approval of LAHD Resolution No. 16-7960 authorizing Permanent Order No. 16-7902 and Temporary Order No. 16-7901 and approval of a corresponding Ordinance to amend the Port of Los Angeles Tariff No. 4 (Port Fees, Rules and Regulations Manual), Section Three, Item No. 330 - Charges for Pilotage (Pilotage). The CAO reports that the Pilotage rates include

charges assessed against all vessels for piloting services for entering, leaving or moving in and out of the Port of Los Angeles. Tariff No. 4, Item No. 330 for pilotage charges is based on the tonnage and length of a vessel, the tariff surcharges for each move of a vessel, and other Pilotage related costs. An opportunity for public comment was provided. After a brief discussion, the Committee moved to approve the LAHD's recommendations and Ordinance, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

INNOVATION, GRANTS, TECHNOLOGY, COMMERCE AND TRADE COMMITTEE



<u>MEMBER</u>	<u>VOTE</u>
BLUMENFIELD:	YES
BONIN:	ABSENT
KREKORIAN:	YES
BUSCAINO:	YES
MARTINEZ:	ABSENT

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-