

ADMINISTRATIVE EXEMPTION, TRADE, COMMERCE AND TECHNOLOGY COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to amending Port of Los Angeles (POLA) Tariff No. 4 Section Three - Pilotage Vessel Traffic Service, Item No. 360(b) Vessel Traffic Service Invoicing and Payment Procedures, and Item 370 Vessel Traffic Service User Fees.

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 from the requirements of the California Environmental Quality Act (CEQA) in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.
2. CONCUR with the Board of Harbor Commissioners' (Board) action taken June 18, 2015, approving Permanent Board Order No. 15-7179 amending POLA Tariff No. 4 Section Three - Pilotage Vessel Traffic Service, Item No. 360(b) Vessel Traffic Service Invoicing and Payment Procedures, and Item 370 Vessel Traffic Service User Fees, as transmitted in the Board's report dated August 19, 2015.
3. PRESENT and ADOPT the accompanying ORDINANCE amending POLA Tariff No. 4 Section Three - Pilotage Vessel Traffic Service, Item No. 360(b) Vessel Traffic Service Invoicing and Payment Procedures, and Item 370 Vessel Traffic Service User Fees.

Fiscal Impact Statement: The City Administrative Officer (CAO) reports that approval of the request by the LAHD to amend Tariff No. 4 will have no direct financial impact on the LAHD. The LAHD is requesting to increase the Vessel Traffic Service User Fees from approximately \$39 to \$319 per ship, due to the rising costs and loss of revenue from a decline of approximately seven percent in the number of vessels entering into the POLA since 2012. The LAHD states that the ship count has continued to decline since that time due to the industry trend of fewer and larger ships calling at the POLA and Port of Long Beach (POLB). The POLB has historically adjusted its Vessel Traffic Service User Fees to be the same as the POLA and for similar dates. There will be no impact on the City's General Fund.

Community Impact Statement: None submitted.

SUMMARY

At the meeting held on September 8, 2015, your Trade, Commerce and Technology Committee considered a Harbor Department transmittal relative to approval of Permanent Order No. 15-7179 and the corresponding Ordinance to amend POLA Tariff No. 4 (Port Fees, Rules and Regulations Manual), Section Three - Pilotage, Item 360(b) and Item 370, Vessel Traffic Service User Fees. The CAO reports that they pilotage rates include charges assessed against a vessel for piloting services for entering, leaving or movement in and from the POLA, Item 370 on the Vessel Traffic Service monitors and provides mariners with appropriate and accurate information on vessel traffic or activity (port calls) on all inbound and outbound commercial and ship traffic within the areas of the POLA and POLB. The monitoring of the ship traffic assists in ensuring vessel transit safety and environmentally sound and efficient maritime transportation. The request proposes to amend Item 370 and Item 360(b) to increase the current Vessel Traffic Service User Fees from approximately \$39 to \$319 per ship, effective July 1, 2015, due to the

rising cost for Vessel Traffic Service operations. According to the LAHD, the rising costs are due, in part, to a 24 percent decline in the number of ships because of the current trend of consolidating cargo into fewer and larger ships calling at the POLA and POLB. An opportunity for public comment was provided. After a brief discussion, the Committee moved to approve the recommendations contained in the transmittal. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, COMMERCE, AND TECHNOLOGY COMMITTEE



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

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-