

CATEGORICAL EXEMPTION and TRADE, TRAVEL AND TOURISM COMMITTEE REPORT and ORDINANCE FIRST CONSIDERATION relative to amending Port of Los Angeles (POLA) Tariff No. 4, Section Three, Item No. 330 - Charges for 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 Resolution No. 17-8115 authorizing proposed Permanent Order No. 17-7222 to amend POLA Tariff No. 4, Section Three, Item No. 330.
3. PRESENT and ADOPT the accompanying ORDINANCE, dated July 24, 2017, approving Board of Harbor Commissioners (Board) Order No. 17-7222 of the Board amending POLA Tariff No. 4.

Fiscal Impact Statement: The City Administrative Officer reports that the proposed amendment of the LAHD will increase or maintain charges to the Port Pilotage (pilotage) fees on a phased approach to balance the budget. It currently costs approximately \$10.5 million to operate the Port Pilot Division, which exceeds the approximately \$7.7 million in pilotage revenue generated from pilotage fees. The proposed amendment will increase the total pilotage fees by approximately 14 percent. The pilotage fees will increase pilotage revenue by approximately \$4 million per year, based on the number and size of the vessels being assisted by port pilots in the POLA. In addition, the increase to the pilotage fees will reduce the current revenue shortfall to the budget and continue to provide funding for capital improvements and training, customer service delivery and efficiency, and establish a more sustainable business model.

Community Impact Statement: None submitted.

SUMMARY

At a meeting held on August 15, 2017, your Trade, Travel, and Tourism Committee considered a Board transmittal and Ordinance relative to amending POLA Tariff No. 4, Section Three, Item No. 330 - Charges for Pilotage. The CAO reports that pilotage rates include charges assessed against all vessels for piloting services when entering, leaving or moving in and out of the POLA. 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. After an opportunity for public comment was held, the Committee moved to approve the Board's recommendations and Ordinance, as detailed above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

TRADE, TRAVEL AND TOURISM COMMITTEE



MEMBER VOTE
BUSCAINO: YES
BONIN: ABSENT
KREKORIAN: YES

ME

-NOT OFFICIAL UNTIL COUNCIL ACTS-