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REPORT NO. R 18 - 0 2 9 9
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REPORT RE:

**DRAFT ORDINANCE AMENDING PORT OF LOS ANGELES
TARIFF NO. 4, SECTION TWO – GENERAL RULES AND REGULATIONS**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Honorable Members:

As requested by the Board of Harbor Commissioners, this Office has prepared and now transmits for your consideration the enclosed draft ordinance, approved as to form and legality. Pursuant to Charter Section 653(a), this draft ordinance would approve Board of Harbor Commissioners Order No. 18-7247, thereby amending the Port of Los Angeles (Port) Tariff No. 4, Section Two, Item No. 255 to add a requirement that Marine Terminal Operators electronically transmit to the City of Los Angeles Harbor Department (Harbor Department) specific information on containers handled at the Port. As part of this Tariff amendment, the Harbor Department's requirement to seek approval from vessel or steamship companies to disclose vessel or steamship companies' data will be removed.

This Tariff amendment supports the Harbor Department's first-of-its-kind common user portal development by providing a single information window to support enhanced maritime supply chain performance. Since the portal pilot program was launched, it has become clear that there is a lack of industry standardization in how electronic data messages are created. This amendment, if approved, will define the scope of data needs and format. This action is not expected to result in additional costs to the Harbor Department.

Charter Findings

On August 23, 2018, pursuant to Los Angeles City Charter Sections 652(a), 652(c) and 653(a), the Los Angeles Board of Harbor Commissioners (Board) adopted Order No.18-7247 (Order), approved the enclosed draft ordinance and recommended that the City Council adopt it. Under Charter Section 653(a), the Order must be approved by the City Council, by ordinance, in order to become effective.

Background and Discussion

On November 3, 2016, the Board approved Agreement No. 16-3425 with General Electric Transportation (GET) to develop a first-of-its-kind common user portal that, once implemented, provides early visibility to cargo containers arriving and departing on vessels scheduled to call at Port container terminals. This early visibility allows for improved planning and subsequent cargo velocity through the Port. The agreement with GET was amended on August 17, 2017, to expand the pilot program into a first-of-its-kind information window to support enhanced maritime supply chain performance across the San Pedro Bay Ports. In addition, the Board approved Revenue Allocation Agreement No. 17-3518 between the Harbor Department and General Electric Company for the portal project.

The agreements with GET are the basis for the project now called the Port Optimizer. In working on the expansion of the portal project, collecting data in a consistent format has become challenging in part due to the lack of standardization in the way the maritime industry collects and processes data. The Tariff amendment provides a vehicle to create a standard set of data points and timelines needed to ensure the effectiveness of the common user portal.

Summary of Ordinance Provisions

This draft ordinance amends Tariff Item No. 255 to include a requirement that Marine Terminal Operators electronically transmit to the Harbor Department specific information on containers handled at the Port. Marine Terminal Operators would have until September 30, 2018, to electronically transmit data to the Harbor Department. Tariff Item No. 255 would also be amended to remove the requirement for the Harbor Department to seek approval from vessels or steamship companies to disclose vessel or steamship companies' data.

The proposed ordinance will add requirements for Marine Terminal Operators at the Port to electronically deliver container status updates and specified container related activity within a maximum of 30 minutes of such activity taking place within their respective terminals. The amendment provides that reasonable technical delays in providing the electronic information by the specified date may be excused upon written

request and a showing of good cause, in a manner and for a period of time determined in the sole and absolute discretion of the Executive Director.

CEQA Findings

The draft ordinance approves an order modifying the Port of Los Angeles Tariff No. 4, Section Two, Item No. 255, which is an administrative activity. As such, the Director of Environmental Management has determined that the proposed activity 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.

Council Rule 38 Referral

The Harbor Department is the proposing department, and the Tariff amendments were discussed and considered with Harbor Department management and staff present in a full public hearing of the Board of Harbor Commissioners on August 23, 2018.

If you have any questions regarding this matter, please contact Deputy City Attorney John Driscoll at (310) 732-3750. He or another member of this Office will be present when you consider this matter to answer questions you may have.

Sincerely,

MICHAEL N. FEUER, City Attorney

By



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DMM:JD:pj
Transmittal