

DRAFT

SAN DIEGO UNIFIED PORT DISTRICT

ORDINANCE xxxx

**CONDUCT A PUBLIC HEARING AND ADOPT AN
ORDINANCE AMENDING THE SAN DIEGO UNIFIED
PORT DISTRICT TARIFF NO. 1-G, RATES AND
CHARGES, ADD NEW RATES, AND UPDATE
TARIFF FORMAT AND LANGUAGE**

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I (Port Act); and

WHEREAS, the District Tariff No. 1-G (Tariff) governs the rates, charges, rules and regulations applicable for all maritime-related commercial activity within the District's jurisdiction; and

WHEREAS, the Tariff is reviewed annually to ensure that the District's rates and charges are competitive, the rules are current, and the rates and charges reflect the prevailing local and regional market conditions; and

WHEREAS, there are several factors that are considered during staff's Tariff analysis, including relevant economic indicators such as the West Region Consumer Price Index for All Urban Consumers (CPI-U), rate recommendation made by California Association of Port Authorities (CAPA), and actual rate increases by other CAPA member ports; and

WHEREAS, CAPA's Tariffs and Practices Committee identified a two-point eight percent (1.7%) increase for the year 2020 and expanded the analysis to include the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI) results for the first and second quarter of 2021, which rose to a three-point two percentage point (3.2%); and

WHEREAS, while there is a notable uptick in the indices, staff has observed that the maritime supply chain continues to fluctuate as they react to changes in trade patterns and adapt to the continued impacts of COVID-19; and

WHEREAS, after careful consideration, staff findings suggest that a General Rate Increase (GRI) across all Tariff Items would not be appropriate at this time and will consider a GRI during the next traditional annual Tariff review; and

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WHEREAS, staff recommends a three-dollar and eighty cent (\$3.80) rate decrease to Merchandise N.O.S.-Item No. 0600, effective January 1, 2022; and

WHEREAS, staff recommends a three-dollars and one cent (\$3.01) rate increase to Item No. 0647-Passenger Fees for (a) Cruise Ships Rate, effective July 1, 2022; and

WHEREAS, staff recommends revisions to amend to modify the Tariff language to Item No. 0705-Wharf Demurrage Rates for Six (6) Day and Beyond, Per Day and add corresponding rate structure, effective January 1, 2022; and

WHEREAS, staff recommends revisions to amend the Tariff language and add a new Item for Hazardous Surcharge-Item No. 0759, effective January 1, 2022; and

WHEREAS, staff recommends revisions to amend the Tariff language and other minor language modifications, effective January 1, 2022; and

WHEREAS, the proposed Tariff rate amendments will result in a positive revenue impact of approximately \$767,000 annually; and

WHEREAS, staff conducted customer and stakeholder outreach and held several Tariff Update phone meetings; distributed notification letters via U.S. mail and electronic mail; and conducted follow-up telephone calls with other customers who had questions in regards to the proposed amendments; and

WHEREAS, in accordance with Government Code Section 54954.6(a) (1) (2), a notice of public hearing was published and written notification of the proposed Tariff amendment was given to shipping lines, ships' agents, stevedores, terminal operators, facilities users, maritime tenants, and the San Diego Port Tenants Association; and

WHEREAS, the Board of Port Commissioners (Board) conducted a public hearing on the proposed changes on November 9, 2021; and

WHEREAS, having reviewed and considered all testimony and materials made available to the Board, including, but not limited to the staff reports and all of the testimony and evidence in the record of the proceedings with respect to the item, the Board took the actions hereinafter set forth.

NOW, THEREFORE, the Board of Port Commissioners of the San Diego Unified Port District does ordain as follows:

Section 1. Tariff No. 1-G, posted on the website for the San Diego Unified Port District at www.portofsandiego.org (Organization No. 011576 Tariff No. 1-G), is hereby amended as follows, effective January 1, 2022:

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- Implement a three-dollar and eighty cent (\$3.80) decrease for Merchandise N.O.S.—Item No. 0600;
- Implement a three-dollars and one cent (\$3.01) increase to Item No. 0647—Passenger Fees for (a) Cruise Ships Rate;
- Perform an amendment to modify Tariff language to Item No. 0705—Wharf Demurrage Rates for Six (6) Day and Beyond, Per Day and corresponding rate structure;
- Perform an amendment of Tariff language for Dockage Charge for Transient Vessels—Item No. 0572;
- Perform an amendment of Tariff language and add a new Item for Hazardous Surcharge—Item No. 0759; and
- Perform an amendment of Tariff language and other minor language modifications.

Section 2. This Ordinance shall take effect on the 31st day from its passage by the Board of Port Commissioners.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 9th day of November 2021, by the following vote: