

DEBORAH ALE FLINT  
Acting Executive Director

DANNY WAN  
Port Attorney

ARNEL ATIENZA  
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JOHN T. BETTERTON  
Secretary of the Board

**PORT OF OAKLAND**  
BOARD OF PORT COMMISSIONERS  
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JAMES W. HEAD  
First Vice-President  
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Commissioner  
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Commissioner  
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Commissioner

## **AGENDA**

### **Regular Meeting of the Board of Port Commissioners**

**Thursday May 23, 2013 – 1:00 p.m.**

**Board Room – 2<sup>nd</sup> Floor**

#### **ROLL CALL**

Commissioner **Butner**, Commissioner **Hamlin**, Commissioner **Parker**, Commissioner **Uno**, 2<sup>nd</sup> Vice-President **Yee**, 1<sup>st</sup> Vice President **Head** and President **Gonzales**.

#### **1. CLOSED SESSION**

*Closed Session discussions and materials may not be disclosed to a person not entitled to receive it, unless the Board authorizes disclosure of that confidential information.*

**1.1 CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION. Pursuant to Subdivision (a) of California Government Code Section 54956.9.**

*SSA Terminals, LLC and SSA Terminals (Oakland), LLC v. the City of Oakland, Acting by and Through its Board of Port Commissioners Docket No. 09-08*

**1.2 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION. Significant Exposure to Litigation Pursuant to Subdivision (b) of California Government Code Section 54956.9: 3 matters**

**1.3 CONFERENCE WITH REAL PROPERTY NEGOTIATOR - As provided under California Government Code Section 54956.8:**

**Property:** One Airport Drive, Oakland, CA  
**Negotiating Parties:** Port of Oakland and Various Parties  
**Agency Negotiator:** Acting Director of Aviation, Kristi McKenney  
**Under Negotiation:** Price and Terms of Tenancy

**1.4 PUBLIC EMPLOYEE APPOINTMENT**

**Title:** Executive Director

**1.5 CONFERENCE WITH LABOR NEGOTIATORS** – Pursuant to Subdivision (a) of California Government Code Section 54957.6:

**Unrepresented Employee:** Executive Director  
**Labor Negotiator:** Director of Human Resources, Denyce Holsey

**ROLL CALL/OPEN SESSION** (Approximately 4:00 p.m.)

Commissioner **Butner**, Commissioner **Hamlin**, Commissioner **Parker**, Commissioner **Uno**, 2<sup>nd</sup> Vice-President **Yee**, 1<sup>st</sup> Vice President **Head** and President **Gonzales**.

**CLOSED SESSION REPORT**

*The Port Attorney or Board Secretary will report on any final actions taken in Closed Session.*

**2. CONSENT ITEMS**

*Action by the Board under “Consent Items” means that all matters listed below have been summarized and will be adopted by one motion and appropriate vote. Consent Items may be removed for further discussion by the Board at the request of any member of the Board.*

**3. MAJOR PROJECTS**

*This segment of the meeting is reserved for action and discussions regarding the status of Major Projects and issues of special importance.*

**3.1 Report:** Joint City/Port Domain Awareness Center Project Status Report and Demonstration **(Maritime)**

**3.2 Ordinance:** Authorization to 1) Re-Program FY10 Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding, 2) Authorize the Executive Director to Take Actions Necessary to Enter into Sub-Grantee Agreement with City of Oakland to Implement Phase 2 Joint City-Port Domain Awareness Center **(Maritime)**

**4. BUDGET & FINANCE**

*This segment of the meeting is reserved for action or discussion regarding the status of Budget and Finance issues.*

**4.1 Report:** Unaudited financials for 9 months ended March 31, 2013

**4.2 Report:** Unaudited capital expenditure report for 9 months ended March 31, 2013

**5. STRATEGY & POLICY**

*This segment of the meeting is reserved for action or discussion on Strategy and Policy Issues.*

**5.1 Report:** Aviation Division Strategic Discussion (**Aviation**)

**5.2 Ordinance:** Adopting Amendments to By-Laws and Administrative Rules of the Board of Port Commissioners (**Legal**)

**6. REMAINING ACTION ITEMS**

*Remaining Action Items are items not previously addressed in this Agenda that may require staff presentation and/or discussion and information prior to action by the Board.*

**6.1 Resolution:** Approval of budget and related authorizations to complete design, environmental review, and permitting for the Airport Perimeter Dike Improvement Project, Oakland International Airport (**Aviation**)

**6.2 Ordinance:** General Rate Increase of 1.7% to Port Tariff No. 2-A, effective July 1, 2013 (**Maritime**)

**7. UPDATES/ANNOUNCEMENTS**

*The President, Members of the Board and the Executive Director will report on noteworthy events occurring since the last Board Meeting.*

**8. SCHEDULING**

*This segment of the meeting is reserved for scheduling items for future Agendas and/or scheduling Special Meetings*

**OPEN FORUM**

*The Board will receive public comment on non-agenda items during this time. Please fill out a speaker card and present it to the Secretary of the Board.*

**ADJOURNMENT**

The next Regular Meeting of the Board will be held on June 13, 2013 at 1:00 PM

## **PUBLIC PARTICIPATION**

### **To Speak on an Agenda Item**

You may speak on any item appearing on the Agenda. Please fill out a Speaker's Card and give it to the Board Secretary **before the start of the meeting** or immediately after conclusion of Closed Session. Cards received after the start of the meeting will be treated as a single request to speak in Open Forum. All speakers will be allotted a minimum of one minute.

### **To Receive Agendas & Related Materials**

Should you have questions or concerns regarding this Agenda, or wish to review any of the Agenda Related Materials, please contact the Board Secretary, John Betterton, at: (510) 627-1696, or visit our web page at: [www.portoakland.com](http://www.portoakland.com)

To receive Port Agendas and Agenda Related Materials by email, please email your request to: [jbetterton@portoakland.com](mailto:jbetterton@portoakland.com)

### **Disability Related Modifications**

Any person who requires a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the meeting, may submit a written request, electronic request, or telephone request [via the California Relay Service (telephone) for the hearing impaired at (800) 735-2922], to the Secretary of the Board **no later than five working days** prior to the scheduled meeting date.

John Betterton, Secretary of the Board  
530 Water Street, Oakland, CA 94607  
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(510) 627-1696

### **Language & Interpretive Services**

As a grantee of federal aid grant funds from the US Department of Transportation, the Port is responsible for ensuring equal access to its programs, services, and benefits. To request bilingual interpreters or materials in alternate formats, please contact the Assistant Secretary of the Board no later than five working days prior to the scheduled meeting date.

Daria Edgerly, Assistant Secretary of the Board  
530 Water Street, Oakland, CA 94607  
[dedgerly@portoakland.com](mailto:dedgerly@portoakland.com)  
(510) 627-1337

### **Scented Products**

Please refrain from wearing scented products to this meeting so attendees who experience chemical sensitivities may attend.

## **Commissioner's Statement of Intention**

We are a governing Board whose authority lies with the entirety of the Board.

We govern in accordance with our fiduciary duty to the Port of Oakland.

We conduct ourselves with clarity and transparency, grounded in the principles of integrity, trust and respect.

We reach our decisions through candid, open and deliberative debate and hold both staff and ourselves accountable for implementing them.

## **CONSENT ITEMS**

Action by the Board under “Consent Items” means that all matters listed below have been summarized, and are considered to be perfunctory in nature, and will be adopted by one motion and appropriate vote. Consent Items may be removed for further discussion by the Board at the request of any member of the Board.

## **MAJOR PROJECTS**

This segment of the meeting is reserved for action and discussions regarding the status of Major Projects and issues of special importance.

# City of Oakland *and* Port of Oakland Joint Domain Awareness Center (DAC)

## *Project Status Report*

May 23, 2013







# Agenda

- DAC Mission
- Stakeholders
- DAC Technical Requirements
- Solution Demo
- Project Work Efforts & Plan
- Next Steps

# DAC Mission

*Centralized System for Decision Support to Appropriately Respond to City-Port Incidents*



- ✓ Centralized Command
- ✓ OPD, OFD, EMSD Response
- ✓ Real-time & Statistical Incident Monitoring
- ✓ City-Port Fiber Optic
- ✓ Proactive Status Awareness
- ✓ Surveillance & Sensor Processing
- ✓ Interoperable Communications

# Stakeholders

## City-Port Internal



Oakland Police  
Oakland Fire  
Emergency Management Services  
Information Technology Department

Maritime Division  
Information Technology Department

Ahsan Baig  
Lt. Blair Alexander    Michael O'Brien  
Renee Domingo        Eric Napralla  
Cathey Eide             Darin White



## External Collaboration



EAST BAY SMART CORRIDORS  
• John Hemiup (contractor: Kimley Horn)



AUTOMATED REGIONAL INFO EXCHANGE SYSTEM  
• Lt. DJ Watts & Subra Chidambaram



USCG AIS VESSEL TRAFFIC SERVICE  
• Sr. Chief Doug Samp



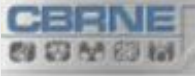
BAY AREA TRAVINFO 511  
• Melanie Crotty (contractor: SAIC)



NATIONAL WEATHER SERVICE



US GEO SURVEY SEISMIC MONITORING




BAY AREA UASI CBNRE MONITORING  
• Jeff Blau, Julie Linney



NO. CAL. REGIONAL INTEL CTR  
• Brian Rodrigues


# DAC Technical Requirements

## OAKLAND CITY



**CCTV CAMERAS AT TARGET LOCATIONS**

~35 CAMERAS



**ITS NETWORK LIVE VIDEO SURVEILLANCE**

~40 CAMERAS



**POLICE SHOT SPOTTER SYSTEM**

>100 SENSOR SITES



**POLICE & FIRE CAD & RECORDS MGT SYSTEMS**

MOTOROLA COMPATIBLE



**OPD ALPR**

40 VEHICLES  
OPD AUTOMATIC LICENSE PLATE READER MONITORING




OAKLAND CITY POLICE AVL (ALL)



OAKLAND CITY FIRE TRUCK AVL (ALL)



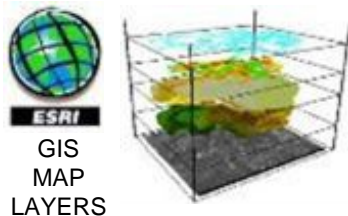
25 SITES  
OAKLAND CITY PHOTO ENFORCEMENT



700 + CAMERAS  
OAKLAND CITY SCHOOLS CCTV



OAKLAND CITY PUBLIC SAFETY INTRANETS



ESRI  
GIS MAP LAYERS

## OAKLAND PORT



**INTEGRATED SECURITY CCTV SYSTEM**

77 PERIMETER DETECTION CAMS

34 THERMAL INTRUSION DETECTION CAMS

21 PAN-TILT-ZOOM CAMS



**GEO SPATIAL SECURITY MAPPING SYSTEM (GSMS-GIS)**

PORT VIEW



**TRUCK MANAGEMENT SYSTEM (TMS)**

Registry of 6000 trucks  
300 LMCs  
6000 Drivers

## OTHER EXTERNAL



USGC VESSEL TRAFFIC SERVICE



~ 40 HWY CAMERAS



~ 50 HWY CAMERAS



~ 20 HWY CAMERAS



84 READERS  
BAY AREA TRAFFIC MONITORING



US GEOLOGICAL SURVEY SEISMIC MONITORING



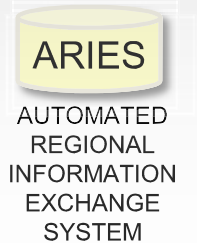
NATIONAL WEATHER SERVICE



NO. CALIFORNIA REGIONAL INTELLIGENCE CENTER



CHEMICAL, BIOLOGICAL, NUCLEAR, RADIOLOGICAL & EXPLOSIVE MONITORING



ARIES  
AUTOMATED REGIONAL INFORMATION EXCHANGE SYSTEM





# DAC DEMO



## Milestones Completed



Jun 2009: City/Port Work Group MOA Executed



Aug 2009: Construction/Implementation Funding  
Approved by FEMA/DHS



Mar 2010: Port Commissioners Accept Funding



Jul 2010: City Council approved DAC implementation



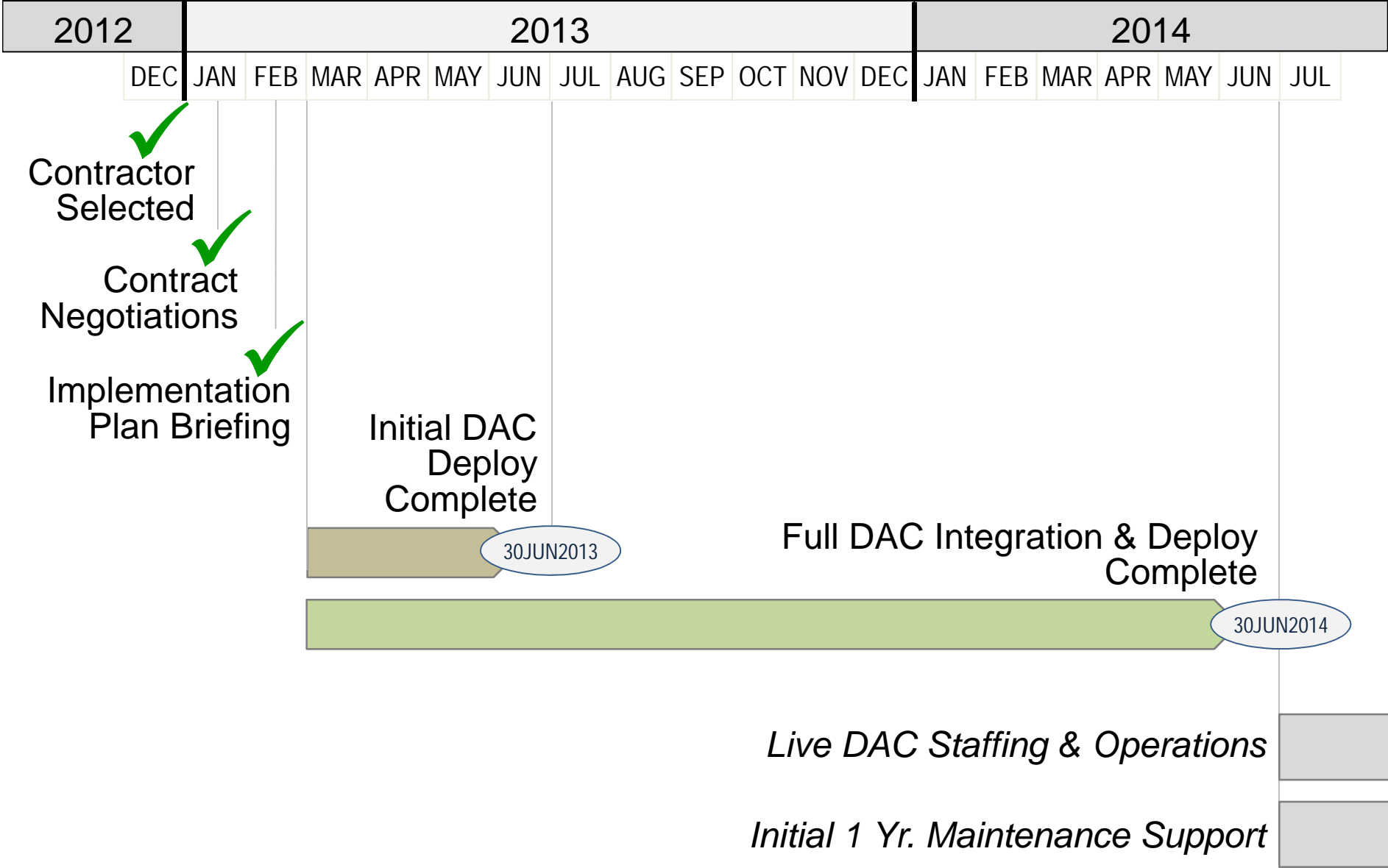
Mar 2012: Sub-Grantee Agreement Executed (City/Port)



Aug 2012: DAC Conceptual Design Completed



# Key Milestones





# DAC Implementation Funding

Conceptual DAC Design

Source: Port Security Grant Round 8

Amount: \$438,750

Status: Completed

Phase 1 DAC Construction

Source: American Recovery and Reinvestment Act

Amount: \$2,900,000

Status: SAIC Contracted. Completion target June 30, 2013





## Future Phase Funding

### Phase 2 DAC Integration and Implementation

Source: Port Security Grant Rounds 9 and 10 – as extended

Amount: up to \$2,000,000

Extension pending FEMA approval

### Phase 3 DAC Operations and Maintenance

Source: Port Security Grant Round 13

Amount: \$3.5M for 3 years (through Jun 2017)

Grant Application in Spring 2013 (ops start Jul 2014)

### Phase 4 DAC Enhancements

Source: Port Security Grant Round 14, UASI, etc.



## DAC Project Next Steps

- DAC Construction and Technology Implementation – SAIC Contract
- Public Safety Committee, City Council, Board of Port Commissioner Briefings
- PSG13 Request for Staff/Maintenance Support – mid-2013
- City/Port O&M MOA – Target Dec 15, 2013

**BOARD MTG. DATE:** 5/23/2013

## AGENDA REPORT

**TITLE:** Authorization to 1) Re-Program Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding, 2) Authorize the Executive Director to Take Actions Necessary to Enter into Sub-Grantee Agreement with City of Oakland to Implement Phase 2 Joint City-Port Domain Awareness Center

**AMOUNT:** \$2,000,000 (PSGP Grant Amount)

**PARTIES INVOLVED:**

Corporate Name/Principal	Location
Department of Homeland Security (DHS)	Washington, D.C.
Federal Emergency Management Agency (FEMA)	Washington, D.C.
San Francisco Bay Marine Exchange (SFMX)	San Francisco, CA
Science Applications International Corporation (SAIC)	Oakland, CA

**TYPE OF ACTION:** Resolution

**SUBMITTED BY:** Jean Banker, Director of Maritime (Acting)

**APPROVED BY:** Deborah Ale Flint, Executive Director (Acting)

**SUMMARY**

This report recommends that the Board pass a resolution approving the following actions:

1. Authorize the Executive Director to re-program Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding to the Phase 2 Joint City-Port Domain Awareness Center Project
2. Authorize the Executive Director to take actions necessary to enter into a Sub-Grantee Agreement with the City of Oakland to implement Phase 2 Joint City-Port Domain Awareness Center Project

**FACTUAL BACKGROUND**

On September 23, 2009, the Port of Oakland was awarded \$2,900,000 in American Recovery and Reinvestment Act Port Security Grant Program (ARRA) funding for the Joint City/Port Domain Awareness Center (DAC) project by the Federal Emergency Management Agency's (FEMA) Grants Program Directorate. The Port of Oakland accepted that grant funding via Board Resolution No. 10-13 on March 3, 2010 and subsequently sub-granted the funding to the City of Oakland via Sub-Grantee Award Agreement on March 1<sup>st</sup>, 2012 for the purposes of joint City/Port management of final design and implementation of the DAC Project.

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The performance period for the ARRA grant was from September 1, 2009 to August 31, 2012. On July 17, 2012, the Port requested an extension to the performance period (through June 30, 2014) in order to complete the project as detailed in the original project proposal. FEMA granted a project extension to June 30, 2013 and indicated no further extension requests under the ARRA program would be authorized. FEMA representatives recommended the option of re-programming federal funds that had previously been awarded for Port of Oakland security projects from other fiscal years and which have a performance period beyond June 30, 2013. That project funding could then be utilized for implementation of high priority projects beyond the original authorized performance period.

On October 14, 2012, the City of Oakland issued a Request for Proposals for the DAC project and a joint City-Port panel interviewed a short list of candidates, selecting SAIC as the security integrator for the project on December 21, 2012. The City of Oakland subsequently contracted with SAIC on March 13, 2013 for final design and implementation of the project.

The DAC will require SAIC to provide services through June 30, 2014 for SAIC to complete the final design and implementation of the project; the bulk of time required is for the complex IT system integration and configuration. SAIC will complete \$2.7M worth of DAC project work by June 30, 2013. Due to ARRA grant funds not being valid beyond June 2013, the City/Port have opted to utilize approximately \$1M of the ARRA funding to build a secure, state-of-the-art network to connect the DAC to City/Port that provides scalability for future growth. This network development is beyond the original scope of the DAC project but has been approved for funding/implementation by FEMA.

On March 6, 2013, the Port of Oakland requested authorization from the local Fiduciary Agent for the Port Security Grant Program - San Francisco Marine Exchange (SFMX) and FEMA to extend and reprogram up to \$2,000,000 of PSG funding from Rounds 9 and/or 10 funds to complete the implementation of the DAC project by June 30, 2014. Work performed between July 1, 2013 – June 30, 2014 will consist primarily of professional services to configure the network, hardware, software, and IT systems to be integrated, and made accessible to, the DAC. As of this date, FEMA has not made a determination on the Port's request for extension and reprogramming of funds.

### **ANALYSIS**

The Joint City-Port Domain Awareness Center (DAC) project will be collocated with the City of Oakland Emergency Operations Center (EOC) and is being developed to enhance monitoring capability of critical Port facilities, utility infrastructure, City facilities and roadways. Information management and analytic software will be utilized to more efficiently screen and monitor Port/City data feeds and provide new, automated tools that streamline incident management.

The significance of the DAC is that it further fosters 24X7, multi-agency interoperability and coordination for prevention, response, and recovery efforts within the Port and City of Oakland. The proposed DAC technology solution and operations framework promotes information sharing and streamlined analysis among City participants (Oakland Police, Oakland Fire, Emergency Management Services Division) and other local and federal agency operations centers to more effectively monitor critical infrastructure and enhance public safety response

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posture. This also improves regional readiness and response capabilities through information collection and sharing while facilitating a regional Common Operating Picture.

Phase 1 of the DAC project implementation will be completed by June 30, 2013 and will include the completed system design, integration of certain technology systems into the Physical Security Information Management (PSIM) system, network enhancements, and enhancements to the City EOC building to facilitate effective command, control and communications capabilities of the DAC.

Phase 2 of the DAC project implementation will run from July 1, 2013 to June 30, 2014. This phase will include further security and monitoring system integration into the PSIM along with expanded development of standard operating procedures related to alert management, inter-agency communication and coordination, system configuration and alignment, and staff orientation and training. The system will also be overseen and maintained by the consultant for one year through June 2015.

Grant Funds Re-programming. Phase 1, plus the additional Port/City IT network improvements will be completed and funded by the ARRA grant by June 30, 2013 for \$2.7M. Staff has requested to re-program and extend up to \$2,000,000 of PSG Rounds 9 and 10 funds to complete Phase 2 of the DAC project by June 30, 2014. If the PSG Rounds 9 and 10 reprogramming request is not approved, the contingency is to reprogram up to \$2,000,000 of PSG Round 12 funding to support the Phase 2 DAC implementation. That action would delay the implementation of the Fiber Optic Network improvements which is a lower priority project than the Phase 2 DAC implementation. The PSG Round 12 funding has an authorized performance period through June 30, 2014 which would support the Phase 2 DAC implementation timeline.

DAC Sub-grantee Agreement.

A draft sub-grantee agreement has been developed to detail the same parameters as the previous agreement, but specific to the re-programmed funding source and requirements outlined in the PSGP guidance. The agreement specifies the terms and conditions of reimbursement of expenditures related to and approved for the DAC project in addition to defining project responsibilities, oversight and reporting requirements for the PSG program. The draft agreement is proposed for a period from July 1, 2013 to June 30, 2015.

O&M Agreement between City and Port for DAC Sustainment. A Memorandum of Agreement is being drafted by Port of Oakland and City of Oakland staff that will detail the sustained operations and maintenance support of the DAC. This agreement will detail the responsibilities of all involved participants in the DAC, information sharing protocol between agencies, staffing support and administration of the DAC, and maintenance of the integrated systems. The agreement will also account for availability of grant funds or other financial support in relation to the scaled capability that will be realized based on that level of support. The target date for that O&M Agreement is December 15, 2013.

**Strategic Plan Alignment**

STRATEGIC PRIORITY AREAS	GOAL	OBJECTIVE	HOW THESE PROJECTS IMPLEMENT
Sustainable Economic and Business	Goal A: Create Sustainable Economic Growth for the Port and	2. Affirm Port identity as a public enterprise	The Port is in a unique position, as both a public agency and as the landlord for the Maritime Area, to be the focal point for the collection,

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Development	Beyond		consolidation, and management of information and data related to critical maritime infrastructure. The DAC project will provide enhanced tools for the City and Port to more efficiently, effectively, and reliably serve its security/emergency response role.
Communications and Information	Goal K: Promote a Proactive and Responsive Communications Model	1. Develop a strategic and comprehensive communications plan which reaches out to a wide range of internal and external stakeholders and incorporates state-of-the-art practices and technology	This project will significantly improve the communication and working relationships between participating agencies, first responders, and the private owners of critical infrastructure in our region.
Stewardship and Accountability	Goal F: Aggressively Obtain Maximum Amount of External Grant and Government Funding and Regulatory Relief	1. Seek out and pursue all promising and prospective grants and external funding resources.	This Security Project is 100% grant funded with the exception of Port staff and overhead costs.

**BUDGET & FINANCIAL IMPACT**

The Port is able to re-program grant funds from PSG Round 9 and 10 to the Phase 2 DAC project by reducing the scope of the Port of Oakland – Transportation Worker Identification Credential Project. This project is also being implemented in phases. Phase 1, system design and basic infrastructure improvements will be completed by June 30, 2013. Based on current draft of future regulations, lesser measures are required than originally anticipated for compliance resulting in reduced overall project cost of approximately \$2,000,000.

The proposed sub-grantee agreement between the Port of Oakland and City of Oakland will establish the mechanism and conditions to pass PSG grant funding through the Port to the City of Oakland for the accomplishment of Phase 2 of the DAC project.

**STAFFING IMPACT**

It is anticipated that the DAC Phase 2 project will require oversight and collaboration with Port’s Maritime Security program staff along with some consultation and coordination with Port IT staff.

**SUSTAINABILITY**

This project will enable protection of critical port assets and improves multi-agency response capability for incidents occurring in the city and the port which will support public safety.

**ENVIRONMENTAL**

The proposals to: (i) re-program Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding to the Phase 2 Joint City-Port Domain Awareness Center Project, and (ii) authorize the Executive Director to enter into a sub-grantee agreement with the City of Oakland to implement the Phase 2 Joint City-Port Domain Awareness Center Project were reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), and the Port CEQA Guidelines.

The general rule in Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It

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can be seen with certainty that there is no possibility that either reprogramming grant funding or authorizing the Executive Director to enter into grant agreements will result in a physical change in the environment, and therefore this action is exempt from CEQA. In addition, accepting grant funds is not a project pursuant to Section 15378(b)(4) of the CEQA Guidelines.

The City-Port Domain Awareness Center Project is described and reviewed for environmental impacts in the Initial Study/Negative Declaration (IS/ND) for the Maritime Utilities Upgrade Project, adopted by the Board on May 18, 2010. Although the project work is primarily comprised of computer system and network upgrades, all contractors will need to adhere to best management practices identified in the IS/ND. A link to the adopted Maritime Utilities Upgrade Project IS/ND is available at [http://portoakland.com/pdf/MUUP\\_03-25-2010.pdf](http://portoakland.com/pdf/MUUP_03-25-2010.pdf).

Therefore, no further environmental review or documentation is necessary in order for the Board to take the actions recommended in this Agenda Report.

**MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The actions to authorize the Executive Director to re-program Port Security Grant Program Funding and to enter into a Sub-Grantee Agreement with the City of Oakland are not within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA), and the provisions of the MAPLA do not apply.

**OWNER CONTROLLED INSURANCE PROGRAM (OCIP)**

Authorizing the Executive Director to re-program funds and to take actions necessary to enter into a sub-Grantee Agreement are not subject to the Port's Owner Controlled Insurance Program (OCIP). However, the Port's Owner Controlled Insurance Program (OCIP) does apply to the construction work and the Port's Professional Liability Insurance Program (PLIP) applies to the consulting services related to implementing the project.

**GENERAL PLAN**

Pursuant to Section 727 of the City of Oakland Charter, the actions described in this Agenda Report have been determined to conform to the policies for the transportation designation of the Oakland General Plan.

**LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because Department of Homeland Security(DHS), Federal Emergency Management Agency (FEMA), and San Francisco Bay Marine Exchange (SFMX) are government agencies. However, living wage requirements will apply, if the service provider, Science Applications International Corporation (SAIC) employs 21 or more employees working on Port-related work, and the contract value is greater than \$50,000.

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**OPTIONS**

**Option A**

- 1) Authorize the Executive Director to re-program up to \$2,000,000 in Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding to the Phase 2 Joint City-Port Domain Awareness Center Project and
- 2) Authorize the Executive Director to take actions necessary to enter into a Sub-Grantee Agreement with the City of Oakland to implement Phase 2 Joint City-Port Domain Awareness Center Project

**Option B**

- 1) Do not authorize the Executive Director to reprogram PSGP funding nor enter into a sub-grantee agreement with the City of Oakland for the implementation of the Phase 2 Joint City-Port Domain Awareness Center Project

The impact of this option will be that progress and implementation of the Joint Domain Awareness Center project will stop and the full and associated regional security benefits from the DAC will not be realized.

**RECOMMENDATION**

It is recommended that the Board pass a resolution authorizing the following actions:

- 1) Authorize the Executive Director to re-program up to \$2,000,000 in Department of Homeland Security/Federal Emergency Management Agency Port Security Grant Program Funding to the Phase 2 Joint City-Port Domain Awareness Center Project and
- 2) Authorize the Executive Director to take actions necessary to enter into a Sub-Grantee Agreement with the City of Oakland to implement Phase 2 Joint City-Port Domain Awareness Center Project



05/23/13  
Tab 3.2  
MCR/arg *Net*

**BOARD OF PORT COMMISSIONERS  
CITY OF OAKLAND**

**RESOLUTION AUTHORIZING 1) RE-PROGRAMMING OF UP TO \$2,000,000 OF DEPARTMENT OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT AGENCY ("FEMA") PORT SECURITY GRANT PROGRAM FUNDING, AND 2) THE EXECUTIVE DIRECTOR TO ENTER INTO A SUB-GRANTEE AGREEMENT WITH THE CITY OF OAKLAND TO IMPLEMENT PHASE 2 OF THE JOINT CITY-PORT DOMAIN AWARENESS CENTER.**

**WHEREAS**, the Board of Port Commissioners ("Board") has reviewed and evaluated the Board Agenda Report Item No. 3.2, dated **May 23, 2013**, ("Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

**WHEREAS**, on March 3, 2010, pursuant to Resolution No. 10-13, the Board authorized acceptance by the Port of \$2,900,000 in American Recovery and Investment Act Port Security Grant Funding ("ARRA") for construction of the Joint City-Port Domain Awareness Center ("DAC"), and authorized the Port to enter into a sub-grant of the Port Security Grant Funds ("PSG") with the City of Oakland ("City"); and

**WHEREAS**, the Port subsequently sub-granted the funding to the City of Oakland via a Sub-Grantee Award Agreement on March 1, 2012, for the purposes of joint City-Port management of final design and implementation of the DAC Project; now therefore be it

**RESOLVED**, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report, and in related agenda materials and in testimony received; and be it

**FURTHER RESOLVED**, that the Board hereby authorizes and directs the Executive Director to re-program and extends up to \$2,000,000 from the current Grant Rounds, 9 and 10, to the Phase 2 Joint City-Port Domain Awareness Center Project, by reducing the scope of the Port of Oakland Transportation Worker Identification Credential Program ("TWIC") or, alternatively, if the FEMA does not approve the re-programming request, the Board authorizes and directs the Executive Director to re-program up to \$2,000,000 of PSG Round 12 funding to support the Phase 2 DAC implementation; and be it

**FURTHER RESOLVED**, that the Executive Director is authorized to negotiate and enter into a sub-grantee agreement with the City of Oakland that defines reimbursement terms, project responsibility, oversight and reporting requirements to implement the Phase 2 Joint City-Port Domain Awareness Center Project, however, that such sub-grantee agreement shall not be binding and enforceable against the Port unless and until approved in writing as to form and legality by the Port Attorney; and be it

**FURTHER RESOLVED**, that the Board finds that the activities described in the Agenda Report are categorically exempt from the requirements of the California Environmental Quality Act ("CEQA") pursuant to Section 15051(b)(3) which states the CEQA applies only to activities that have a potential of causing a significant effect on the environment. It can be seen with certainty that there is no possibility that re-programming grant funding or authorizing the Executive Director to enter into grant agreements will result in a physical change to the environment; and be it

**FURTHER RESOLVED**, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement in accordance with the terms of this resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed and approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.

**BUDGET & FINANCE**

This segment of the meeting is reserved for action or discussion regarding the status of Budget and Finance issues.

**DRAFT**

**PORT OF OAKLAND**

Unaudited  
Financial Results

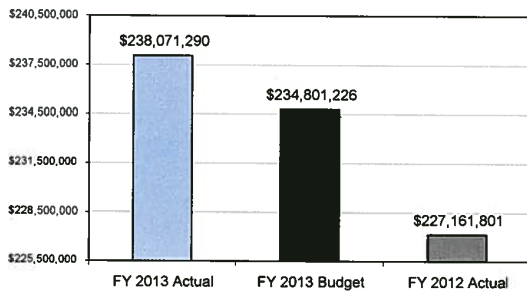
March 31, 2013

- Summary of Key Financials and Activity
- Cash Recap
- Balance Sheet
- YTD Revenue & Expenses (Actual vs. Budget)
- YTD Expenses by Category (Actual vs. Budget)
- Aviation Revenue (Actual vs. Budget)
- Maritime Revenue (Actual vs. Budget)
- CRE Revenue (Actual vs. Budget)
- Activity Summary Report
- YTD Revenue & Expenses Variance Explanations

**Summary of Key Financials and Activity  
For the Nine Months Ended March 31, 2013**

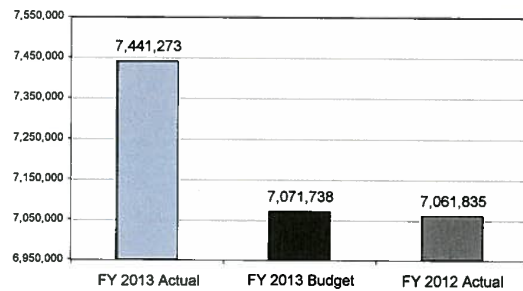
**UNAUDITED  
DRAFT**

**Fiscal Year to Date - March 2013  
Operating Revenue**



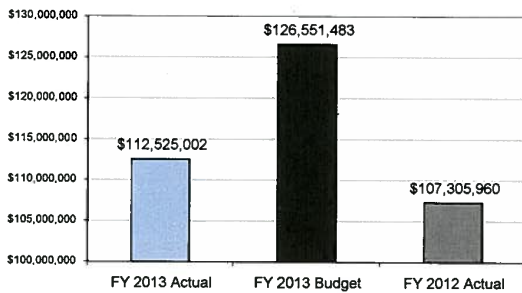
Variance to FY 2013 Budget 1.4%  
Variance to FY 2012 Actual 4.8%

**Fiscal Year to Date - March 2013  
Total Passengers**



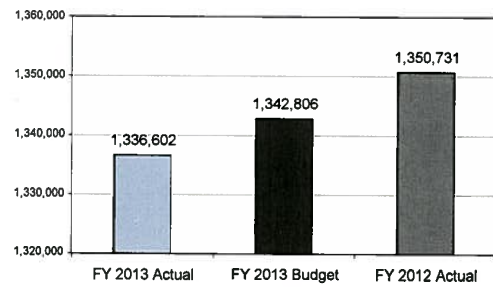
Variance to FY 2013 Budget 5.2%  
Variance to FY 2012 Actual 5.4%

**Fiscal Year to Date - March 2013  
Operating Expenses Before D&A**



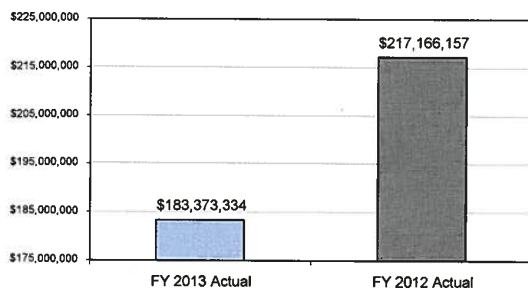
Variance to FY 2013 Budget 11.1%  
Variance to FY 2012 Actual -4.9%

**Fiscal Year to Date - March 2013  
Loaded TEUs**



Variance to FY 2013 Budget -0.5%  
Variance to FY 2012 Actual -1.0%

**Fiscal Year to Date - March 2013  
Unrestricted Cash Balance**



Variance to FY 2012 Actual -15.6%

**UNAUDITED  
DRAFT**

**PORT OF OAKLAND  
CASH  
MARCH 31, 2013, 2012 AND JUNE 30, 2012**

	<u>Unaudited 03/31/13</u>	<u>Audited 06/30/12</u>	<u>Unaudited 03/31/12</u>
<b>Unrestricted Cash:</b>			
Board Reserves	\$ 66,154,593	\$ 64,336,400	\$ 64,336,400
General Fund:			
Debt Service Fund	50,214,836	38,099,387	52,906,954
Other	67,003,905	86,628,244	99,922,803
Sub-total	<u>117,218,741</u>	<u>124,727,631</u>	<u>152,829,757</u>
Sub-total	<u>183,373,334</u>	<u>189,064,031</u>	<u>217,166,157</u>
<b>Restricted Cash &amp; Investments:</b>			
Bond Reserves / Trustee Deposits (a)	57,864,673	70,398,822	70,736,204
Bond Proceeds (b)	25,721	-	30,246
Passenger Facility Charges	21,784,179	14,673,819	12,818,528
Customer Facility Charges	2,961,770	3,201,479	3,096,228
Other (c)	<u>4,172,804</u>	<u>3,866,612</u>	<u>3,700,752</u>
Sub-total	<u>86,809,147</u>	<u>92,140,732</u>	<u>90,381,958</u>
<b>TOTAL</b>	<b><u>\$ 270,182,481</u></b>	<b><u>\$ 281,204,763</u></b>	<b><u>\$ 307,548,115</u></b>

(a) Funds on deposit with the Bond Trustee. Reserve Funds are only available for debt service as specified in the Trust Indenture. Other amounts may include upcoming debt service payments deposited with the Trustee and IRS rebate amounts.

(b) Unspent bond proceeds available to reimburse certain capital expenditures, capitalized interest and cost of issuance.

(c) Escrow accounts related to the Port's capital program.

PORT OF OAKLAND  
BALANCE SHEET  
MARCH 31, 2013, 2012 AND JUNE 30, 2012

**UNAUDITED  
DRAFT**

	Unaudited 03/31/13	Audited 06/30/12	Unaudited 03/31/12
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents			
Designated	\$ 66,154,593	\$ 64,336,400	\$ 64,336,400
Undesignated	117,218,741	124,727,631	152,829,757
Accounts receivable (less allowance) (03/13 \$2,266,047; 06/12 \$2,392,000; 03/12 \$3,526,263)	34,646,213	29,370,884	21,238,544
Restricted deposits with fiscal agent for current debt service	30	19	-
Accrued interest receivable	147,985	221,795	104,109
Prepaid expenses and other assets	1,749,426	4,166,707	2,218,145
<b>Total current assets</b>	<b>219,916,988</b>	<b>222,823,436</b>	<b>240,726,955</b>
<b>RESTRICTED CASH AND INVESTMENTS:</b>			
Bond funds and other	62,063,168	74,265,415	74,467,202
Passenger facility charges	21,784,179	14,673,819	12,818,528
Customer facility charges	2,961,770	3,201,479	3,096,228
<b>Total restricted cash and investments</b>	<b>86,809,117</b>	<b>92,140,713</b>	<b>90,381,958</b>
<b>PROPERTY, PLANT AND EQUIPMENT:</b>			
Buildings and improvements	851,768,867	851,721,344	849,914,874
Container cranes	153,774,871	153,774,871	153,774,871
Systems and structures	1,639,147,414	1,574,781,285	1,575,089,514
Intangibles - depreciable	11,051,762	11,051,762	11,051,762
Other equipment	76,215,587	75,972,755	75,635,870
<b>Less accumulated depreciation</b>	<b>(1,270,811,435)</b>	<b>(1,200,942,674)</b>	<b>(1,176,911,747)</b>
Land	1,461,147,066	1,486,359,343	1,488,555,144
Intangibles - nondepreciable	521,735,514	520,804,619	520,293,093
Construction in progress	23,493,379	23,493,379	12,641,923
<b>Total property, plant and equipment</b>	<b>2,183,371,739</b>	<b>2,185,743,829</b>	<b>2,187,457,596</b>
<b>DEFERRED CHARGES AND OTHER ASSETS</b>			
	41,583,671	47,190,774	47,870,816
<b>TOTAL ASSETS</b>	<b>\$ 2,531,681,515</b>	<b>\$ 2,547,898,752</b>	<b>\$ 2,566,437,325</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 48,719,426	\$ 55,648,016	\$ 45,567,257
Liability to City of Oakland	8,937,972	7,875,280	18,109,758
Deferred income-current portion	9,442,183	15,731,286	10,336,164
Payable from restricted assets:			
Accrued interest payable	25,094,591	10,755,074	26,496,453
Current maturities of long-term debt	36,448,389	47,617,235	51,523,673
Retentions on construction contracts	7,253,101	6,046,308	6,167,127
<b>Total current liabilities</b>	<b>135,895,662</b>	<b>143,673,199</b>	<b>158,200,432</b>
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt	1,251,783,962	1,307,276,131	1,315,452,271
Deferred income	97,816,206	99,693,774	104,907,930
Environmental liabilities and other	33,940,603	33,808,760	31,723,937
<b>Total long-term liabilities</b>	<b>1,383,540,771</b>	<b>1,440,778,665</b>	<b>1,452,084,138</b>
<b>EQUITY:</b>			
<b>Reserved retained earnings:</b>			
Grants from government agencies	290,961,248	266,498,373	271,861,546
Passenger facility charges	266,849,974	252,114,550	260,582,906
Customer facility charges	12,119,118	12,519,223	13,036,669
<b>Port equity:</b>			
City of Oakland	(58,477,543)	(58,477,543)	(58,477,543)
Appraisal surplus	3,004,335	3,004,335	3,004,335
Land conveyed to Port	24,746,000	24,746,000	24,746,000
Retained earnings	473,041,950	463,041,950	441,398,842
<b>Total equity</b>	<b>1,012,245,082</b>	<b>963,446,888</b>	<b>956,152,755</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,531,681,515</b>	<b>\$ 2,547,898,752</b>	<b>\$ 2,566,437,325</b>

**PORT OF OAKLAND  
ACTUAL VS. BUDGET REVENUE AND EXPENSES  
NINE MONTHS ENDED MARCH 31, 2013**

**UNAUDITED  
DRAFT**

Division	Actual 03/31/13	Budget 03/31/13	\$ Variance	% Variance	Actual 03/31/12
<b>Operating Revenue</b>					
Aviation	\$ 108,852,779	\$ 108,386,472	\$ 466,307	0.4%	\$ 99,586,610
Maritime	112,513,589	110,818,459	1,695,130	1.5%	111,975,350
CRE	9,638,139	8,739,463	898,676	10.3%	9,692,033
Utilities	7,066,783	7,057,250	9,533	0.1%	5,907,808
Bad Debt Reserve	-	(200,418)	200,418	100.0%	-
<b>Total Operating Revenue</b>	<b>238,071,290</b>	<b>234,801,226</b>	<b>3,270,064</b>	<b>1.4%</b>	<b>227,161,801</b>
<b>Operating Expenses</b>					
Administration	-	-	-	0.0%	(62,538)
Aviation	(58,135,500)	(60,812,511)	2,677,011	4.4%	(54,100,629)
Maritime	(12,248,924)	(13,892,028)	1,643,104	11.8%	(11,288,340)
CRE	(3,998,501)	(4,803,186)	604,685	13.1%	(4,106,995)
Corporate Administrative Services	(2,221,756)	(2,523,034)	301,278	11.9%	(2,167,930)
Information Technology	(2,767,492)	(3,132,265)	364,773	11.6%	(2,053,972)
Engineering	(8,701,947)	(9,427,052)	725,105	7.7%	(6,601,774)
Environmental Programs & Planning	(1,741,943)	(2,059,926)	317,983	15.4%	(1,779,625)
Utilities Cost of Sales	(2,646,659)	(3,541,500)	894,841	25.3%	(2,712,385)
Social Responsibility	(506,737)	(912,265)	405,528	44.5%	(911,957)
External Affairs	(1,478,906)	(1,877,781)	398,875	21.2%	(1,507,366)
Executive Office	(537,051)	(759,582)	222,531	29.3%	(479,250)
Labor Relations	(356,314)	(432,483)	76,169	17.6%	(369,924)
Board of Port Commissioners	(320,446)	(426,368)	105,922	24.8%	(408,567)
Audit Services	(761,240)	(902,291)	141,051	15.6%	(865,096)
Port Attorney	(2,496,230)	(3,559,534)	1,063,304	29.9%	(2,543,839)
Financial Services	(3,531,922)	(4,011,639)	479,717	12.0%	(3,475,890)
Non-Departmental Expenses	(21,182,636)	(21,725,554)	542,918	2.5%	(20,654,166)
Absorption of Labor and Overhead to					
Capital Assets	11,109,202	8,047,516	3,061,686	38.0%	8,784,283
Depreciation & Amortization	(73,045,622)	(73,570,131)	524,509	0.7%	(74,086,427)
<b>Total Operating Expenses</b>	<b>(185,570,624)</b>	<b>(200,121,614)</b>	<b>14,550,990</b>	<b>7.3%</b>	<b>(181,392,387)</b>
<b>Operating Income (A)</b>	<b>52,500,666</b>	<b>34,679,612</b>	<b>17,821,054</b>	<b>51.4%</b>	<b>45,769,414</b>
<b>Non-Operating Items</b>					
Interest Income	901,778	959,868	(58,090)	-6.1%	1,614,783
Interest Expense	(45,611,122)	(48,480,930)	2,869,808	5.9%	(49,578,354)
Passenger Facility Charges (PFCs)	14,735,424	14,793,028	(57,604)	-0.4%	14,563,697
Customer Facility Charges (CFCs)	3,803,481	3,751,458	52,023	1.4%	3,931,129
Abandoned/Demolished Capital Assets	(32,399)	(1,100,000)	1,067,601	97.1%	(20,000)
Other Income (Expenses)	(1,962,508)	9,937,190	(11,899,698)	-119.7%	(2,052,353)
<b>(B)</b>	<b>(28,165,346)</b>	<b>(20,139,386)</b>	<b>(8,025,960)</b>	<b>-39.9%</b>	<b>(31,541,098)</b>
<b>Change in Net Assets before</b>					
<b>Capital Contributions (A+B)</b>	<b>24,335,320</b>	<b>14,540,226</b>	<b>9,795,094</b>		<b>14,228,316</b>
<b>Capital Contributions</b>					
Grants from Government Agencies	24,462,875	20,949,637	3,513,238	16.8%	15,925,345
<b>(C)</b>	<b>24,462,875</b>	<b>20,949,637</b>	<b>3,513,238</b>	<b>16.8%</b>	<b>15,925,345</b>
<b>CHANGE IN NET ASSETS (A+B+C)</b>	<b>\$ 48,798,195</b>	<b>\$ 35,489,863</b>	<b>\$ 13,308,332</b>		<b>\$ 30,153,661</b>
<b>Change in Net Assets before</b>					
<b>Capital Contributions, PFCs and</b>					
<b>remaining CFCs</b>	<b>\$ 10,000,001</b>	<b>\$ 266,636</b>	<b>\$ 9,733,365</b>		<b>\$ (971,046)</b>
<b>Operating Ratio</b>	<b>47%</b>	<b>54%</b>			<b>47%</b>



**PORT OF OAKLAND**  
**Actual vs. Budget Expenses by Category**  
**Nine Months Ended March 31, 2013**

**UNAUDITED**  
**DRAFT**

	<u>Actual</u> <u>03/31/13</u>	<u>Budget</u> <u>03/31/13</u>	<u>\$</u> <u>Variance</u>	<u>%</u> <u>Variance</u>
<b><u>Operating Expenses</u></b>				
Personnel Services	\$ (65,972,376)	\$ (66,613,801)	\$ 641,425	1.0%
Contractual Services	(41,115,360)	(47,330,465)	6,215,105	13.1%
Supplies	(3,072,814)	(2,923,097)	(149,717)	-5.1%
General and Administrative	(10,948,210)	(14,341,090)	3,392,880	23.7%
Utilities Cost of Sales	(2,646,659)	(3,541,500)	894,841	25.3%
Departmental Credits	11,230,417	8,198,470	3,031,947	37.0%
Subtotal	(112,525,002)	(126,551,483)	14,026,481	11.1%
Depreciation & Amortization	(73,045,622)	(73,570,131)	524,509	0.7%
<b>Total Operating Expenses</b>	<b>\$ (185,570,624)</b>	<b>\$ (200,121,614)</b>	<b>\$ 14,550,990</b>	<b>7.3%</b>

**Port of Oakland  
Actual vs. Budget Aviation Revenue  
For the Nine Months Ended March 31, 2013**

**UNAUDITED  
DRAFT**

	<u>ACTUAL</u> <u>03/31/13</u>	<u>BUDGET</u> <u>03/31/13</u>	<u>\$</u> <u>VARIANCE</u>	<u>%</u> <u>VARIANCE</u>
TERMINAL RENT	\$ 19,680,669	\$ 19,930,228	\$ (249,559)	-1.3%
TERMINAL CONCESSIONS	15,133,506	14,737,852	395,654	2.7%
OTHER TERMINAL REVENUE (a)	5,158,245	5,125,682	32,563	0.6%
<b>TERMINAL RENTALS &amp; CONCESSIONS</b>	<b>39,972,420</b>	<b>39,793,762</b>	<b>178,658</b>	<b>0.4%</b>
PARKING	20,010,493	18,953,421	1,057,072	5.6%
GROUND ACCESS	2,886,741	2,735,366	151,375	5.5%
<b>PARKING AND GROUND ACCESS</b>	<b>22,897,234</b>	<b>21,688,787</b>	<b>1,208,447</b>	<b>5.6%</b>
OTHER AIRPORT RENTALS (b)	19,927,870	20,087,538	(159,668)	-0.8%
LANDING FEES	21,644,764	22,596,195	(951,431)	-4.2%
OTHER FIELD REVENUE (c)	1,496,123	1,261,602	234,521	18.6%
AVIATION FUELING	2,911,025	2,856,604	54,421	1.9%
MISCELLANEOUS REVENUE (d)	3,343	101,984	(98,641)	-96.7%
<b>TOTAL AVIATION OPERATING REVENUE</b>	<b>108,852,779</b>	<b>108,386,472</b>	<b>466,307</b>	<b>0.4%</b>
BAD DEBT RESERVE	-	(75,418)	75,418	100.0%
<b>TOTAL AVIATION REVENUE</b>	<b>\$ 108,852,779</b>	<b>\$ 108,311,054</b>	<b>\$ 541,725</b>	<b>0.5%</b>

(Continued)

**Port of Oakland  
Actual vs. Budget Aviation Revenue  
For the Nine Months Ended March 31, 2013**

**UNAUDITED  
DRAFT**

**(a) Other Terminal Revenue**

This category includes primarily terminal use fees for charter/itinerant airlines, baggage carousel/conveyor fees, customs room usage, identification badge sales & fingerprinting, and vending machine sales not associated with concession tenants.

**(b) Other Airport Rentals**

This category includes rental of land (e.g., vehicle/aircraft parking, rights-of-way); billboards; buildings; hangar and hangar areas; commercial filming; tank farm fuel fees; as well as cargo building, land, and apron rental.

**(c) Other Field Revenue**

This category includes plane storage, in-flight catering, ground handling, and cargo handling revenue.

**(d) Miscellaneous Revenue**

This category includes one-time and recurring revenues that are usually not directly related to Airport operations. The majority of miscellaneous revenue is associated with the Port's Materials Management Program and janitorial services provided by the Port at TSA's Airport offices. Other revenue may include, for example, payments for the rental of Airport conference rooms.

**Port of Oakland  
Actual vs. Budget Maritime Revenue  
For the Nine Months Ended March 31, 2013**

**UNAUDITED  
DRAFT**

	<b>ACTUAL 03/31/13</b>	<b>BUDGET 03/31/13</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>
<b>TERMINALS</b>	\$ 102,369,540	\$ 103,399,198	\$ (1,029,658)	-1.0%
<b>OAKLAND INTERNATIONAL GATEWAY</b>	1,566,050	1,586,833	(20,783)	-1.3%
<b>OTHER REVENUE (a)</b>	8,577,999	5,832,428	2,745,571	47.1%
<b>TOTAL MARITIME OPERATING REVENUE</b>	<b>112,513,589</b>	<b>110,818,459</b>	<b>1,695,130</b>	<b>1.5%</b>
<b>BAD DEBT RESERVE</b>	-	(125,000)	125,000	100.0%
<b>TOTAL MARITIME REVENUE</b>	<b>\$ 112,513,589</b>	<b>\$ 110,693,459</b>	<b>\$ 1,820,130</b>	<b>1.6%</b>

**(a) Other Revenue**

This category primarily includes land and facility rental revenue from non-marine/rail terminal tenants. Examples include: truck parking and transloading tenants. This category also includes programs or initiatives that affect revenue, such as the Maritime Division's Interior-Point-Intermodal incentive program.

**Port of Oakland  
Actual vs. Budget CRE Revenue  
For the Nine Months Ended March 31, 2013**

**UNAUDITED  
DRAFT**

	<b>ACTUAL 03/31/13</b>	<b>BUDGET 03/31/13</b>	<b>\$ VARIANCE</b>	<b>% VARIANCE</b>
<b>SPACE RENTAL</b>				
Land	\$ 944,189	\$ 679,515	\$ 264,674	39.0%
Warehouse Lease	743,080	814,509	(71,429)	-8.8%
Hotel	1,577,484	1,447,963	129,521	8.9%
Restaurant	1,049,723	888,080	161,643	18.2%
Retail	1,364,364	1,289,051	75,313	5.8%
Office Lease	1,334,175	1,270,961	63,214	5.0%
Marinas Revenue	95,057	14,316	80,741	564.0%
<b>Subtotal</b>	<b>7,108,072</b>	<b>6,404,395</b>	<b>703,677</b>	<b>11.0%</b>
<b>PARKING REVENUE</b>				
Parking Revenue - Parking Lot Revenue	1,589,307	1,513,709	75,598	5.0%
<b>Subtotal</b>	<b>1,589,307</b>	<b>1,513,709</b>	<b>75,598</b>	<b>5.0%</b>
<b>MISCELLANEOUS REVENUE</b>				
Miscellaneous Revenue (a)	136,477	80,576	55,901	69.4%
Billboard Advertising Revenue	804,283	740,783	63,500	8.6%
<b>Subtotal</b>	<b>940,760</b>	<b>821,359</b>	<b>119,401</b>	<b>14.5%</b>
<b>TOTAL CRE OPERATING REVENUE</b>	<b>9,638,139</b>	<b>8,739,463</b>	<b>898,676</b>	<b>10.3%</b>
<b>BAD DEBT RESERVE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0%</b>
<b>TOTAL CRE REVENUE</b>	<b>\$ 9,638,139</b>	<b>\$ 8,739,463</b>	<b>\$ 898,676</b>	<b>10.3%</b>

**(a) Miscellaneous Revenue**

This category includes recurring and one-time revenues that are not part of the Space Rental revenue category. Examples include: easements, antennae and bank teller machines on/in Port-owned buildings, and ancillary development-related transactions.

**Port of Oakland  
Activity Summary Report  
For the Nine Months Ended March 31, 2013**

**UNAUDITED  
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	Actual	Budget	Variance to Budget	Variance to Budget (%)	Prior Year Actual	Variance to Prior Year Actual	Variance to Prior Year Actual (%)
<b>AVIATION ACTIVITY</b>							
<b>Total Passengers</b>							
July	960,283	863,986	96,297	11.1%	835,282	125,001	15.0%
August	969,898	855,443	114,455	13.4%	855,290	114,608	13.4%
September	822,852	748,576	74,276	9.9%	764,110	58,742	7.7%
October	856,253	778,515	77,738	10.0%	795,824	60,429	7.6%
November	838,196	771,382	66,834	8.7%	797,859	40,337	5.1%
December	812,360	774,141	38,219	4.9%	814,168	(1,808)	-0.2%
January	710,618	736,581	(25,943)	-3.5%	711,662	(1,044)	-0.1%
February	666,616	706,074	(39,458)	-5.6%	686,517	(19,901)	-2.9%
March	804,197	837,081	(32,884)	-3.9%	801,123	3,074	0.4%
April							
May							
June							
Year to Date	7,441,273	7,071,738	369,535	5.2%	7,061,835	379,438	5.4%
<b>Air Cargo - Freight &amp; Mail (000 lbs)</b>							
July	84,388	86,884	(2,496)	-2.9%	85,902	(1,514)	-1.8%
August	94,694	92,152	2,542	2.8%	91,110	3,583	3.9%
September	89,526	91,461	(1,935)	-2.1%	90,428	(902)	-1.0%
October	95,397	93,727	1,670	1.8%	92,668	2,729	2.9%
November	94,371	95,906	(1,536)	-1.6%	94,822	(452)	-0.5%
December	106,966	114,929	(7,963)	-6.9%	113,631	(6,665)	-5.9%
January	90,294	85,218	5,075	6.0%	84,256	6,038	7.2%
February	79,717	87,284	(7,567)	-8.7%	86,298	(6,581)	-7.6%
March	90,094	96,328	(6,234)	-6.5%	95,239	(5,145)	-5.4%
April							
May							
June							
Year to Date	825,446	843,890	(18,443)	-2.2%	834,354	(8,908)	-1.1%
<b>Aircraft Landing Weights * (000 lbs)</b>							
July	769,774	779,175	(9,401)	-1.2%	720,497	49,277	6.8%
August	779,870	790,272	(10,402)	-1.3%	749,703	30,167	4.0%
September	717,130	732,254	(15,124)	-2.1%	706,381	10,749	1.5%
October	748,394	755,226	(6,832)	-0.9%	730,696	17,698	2.4%
November	718,420	731,029	(12,609)	-1.7%	717,238	1,182	0.2%
December	786,330	823,481	(37,151)	-4.5%	817,093	(30,763)	-3.8%
January	704,970	741,604	(36,634)	-4.9%	687,796	17,174	2.5%
February	634,100	713,367	(79,267)	-11.1%	665,887	(31,787)	-4.8%
March	709,673	781,630	(71,957)	-9.2%	720,475	(10,802)	-1.5%
April							
May							
June							
Year to Date	6,568,661	6,848,036	(279,375)	-4.1%	6,515,766	52,895	0.8%

\* Includes passenger and air cargo carriers. Excludes non-revenue passenger flights.

Port of Oakland  
Activity Summary Report  
For the Nine Months Ended March 31, 2013

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	Actual	Budget	Variance to Budget	Variance to Budget (%)	Prior Year Actual	Variance to Prior Year Actual	Variance to Prior Year Actual (%)
<b>MARITIME ACTIVITY</b>							
<b>Loaded (Full) TEUs**</b>							
July	148,945	157,324	(8,379)	-5.3%	147,852	1,093	0.7%
August	151,793	158,450	(6,657)	-4.2%	160,716	(8,923)	-5.6%
September	141,116	153,712	(12,596)	-8.2%	150,506	(9,390)	-6.2%
October	157,127	155,389	1,738	1.1%	151,245	5,882	3.9%
November	144,687	151,046	(6,359)	-4.2%	157,012	(12,325)	-7.8%
December	153,217	147,487	5,730	3.9%	147,841	5,376	3.6%
January	150,019	140,459	9,560	6.8%	152,553	(2,534)	-1.7%
February	148,201	131,333	16,868	12.8%	128,517	19,684	15.3%
March	141,497	147,606	(6,109)	-4.1%	154,489	(12,992)	-8.4%
April							
May							
June							
Year to Date	1,336,602	1,342,806	(6,204)	-0.5%	1,350,731	(14,129)	-1.0%
<b>Vessel Calls</b>							
July	165	183	(18)	-9.8%	193	(28)	-14.5%
August	160	183	(23)	-12.6%	189	(29)	-15.3%
September	153	173	(20)	-11.6%	179	(26)	-14.5%
October	166	176	(10)	-5.7%	171	(5)	-2.9%
November	146	170	(24)	-14.1%	159	(13)	-8.2%
December	160	174	(14)	-8.0%	147	13	8.8%
January	160	166	(6)	-3.6%	154	6	3.9%
February	146	154	(8)	-5.2%	135	11	8.1%
March	144	172	(28)	-16.3%	149	(5)	-3.4%
April							
May							
June							
Year to Date	1,400	1,551	(151)	-9.7%	1,476	(76)	-5.1%

\*\* Loaded TEUs does not include restows/shifts

**Port of Oakland**  
**Revenue Actual vs. Budget Variance**  
Nine Months Ended March 31, 2013

**UNAUDITED**  
**DRAFT**

**OPERATING REVENUE**

**Port Operating Revenue** = **\$238.1 million**  
**Variance to Budget (\$)** = **\$3.3 million (better)**  
**Variance to Budget (%)** = **1.4% (better)**

**Aviation - \$108.9 million**

Better than budget by \$0.5 million or 0.4%

- Higher parking revenues (\$1.1 million)
- Higher concessions revenue primarily from car rental agencies (\$0.4 million)
- Higher ground handling revenue (\$0.2 million)
- Higher ground access revenues (\$0.1 million)
- Higher fueling revenue (\$0.1 million)
- Lower landing fees (\$1.0 million)
- Lower terminal rent revenue (\$0.2 million)
- Lower hangar and hangar area rental revenue (\$0.1 million)
- Lower space rental revenue from land and buildings (\$0.1 million)

**Maritime - \$112.5 million**

Better than budget by \$1.7 million or 1.5%

- Space assignment (land and facility rent from non-marine and rail terminal tenants) revenue higher than anticipated (\$1.4 million)
- IPI Incentive Program (offset against revenue) not yet in effect (\$0.9 million)
- Lower than budgeted activity at some marine terminals (\$1.1 million)

**Commercial Real Estate - \$9.6 million**

Better than budget by \$0.9 million or 10.3%

- Higher land rent (\$0.3 million)
- Higher restaurant rent (\$0.2 million)
- Higher hotel and retail rent (\$0.2 million)
- Higher parking lot revenue and office rent (net \$0.1 million)
- Higher billboards and miscellaneous revenue (net \$0.1 million)

**Utilities - \$7.1 million**

Slightly better than budget by 0.1%

- Primarily higher electricity revenue at the South Airport and at OAB mostly offset by lower electricity revenue at Harbor Transportation Center and Maritime Terminals

**Bad Debt Reserve - \$0.0 million**

Better than budget by \$0.2 million



**Port of Oakland**  
**Expense Actual vs. Budget Variance**  
 Nine Months Ended March 31, 2013

**UNAUDITED  
DRAFT**

**EXPENSES by CATEGORY**

**Port Operating Expenses\*** = \$112.5 million  
**Variance to Budget (\$)** = \$14.0 million (better)  
**Variance to Budget (%)** = 11.1% (better)

**Personnel Services** - \$66.0 million

Better than budget by \$0.6 million or 1.0%

- Open headcount savings (\$3.7 million) - *Various divisions*
- Lower medical and dental premiums (\$0.6 million) - *Various Divisions*
- Lower workers' compensation and unemployment expense (\$0.4 million) - *Non-departmental*
- Lower vacation/sick leave accrual and retiree medical expense (\$0.4 million) - *Non-departmental*
- Lower professional development, education and training expenses (\$0.2 million) - *Corp Admin Svcs*
- Lower high school and college internship expenses (\$0.1 million) - *Various*
- Unrealized labor adjustments (\$3.6 million) - *Various*
- Higher overtime costs (\$0.8 million) - *Aviation*
- Higher temporary help expense (\$0.4 million) - *Various*

**Contractual Services** - \$41.1 million

Better than budget by \$6.2 million or 13.1%

- Lower professional, consulting and legal service costs (\$2.6 million) - *Various divisions*
- Lower maintenance and repair costs (\$1.7 million) - *Revenue divisions*
- Lower parking lot operations, rental car and parking lot shuttle buses (\$0.6 million) - *Aviation*
- Lower security and life safety related expenses (\$0.4 million) - *Revenue divisions*
- Lower Alameda County Sheriff Expense (\$0.4 million) - *Aviation*
- Lower maintenance dredging and dredging consulting costs (\$0.3 million) - *Engineering*
- Lower operating costs at the Port of Oakland (headquarters) office building (\$0.2 million) - *CRE*

**Supplies** - \$3.1 million

Worse than budget by \$0.1 million or 5.1%

- Higher maintenance materials, janitorial, and electrical supplies (\$0.1 million) - *Aviation & Maritime*

**General and Administrative** - \$10.9 million

Better than budget by \$3.4 million or 23.7%

- Lower legal contingency (\$1.8 million) - *Non-departmental*
- Lower Port use electricity (\$0.6 million) - *Aviation*
- Lower exhibits & displays, marketing, special events, promotional costs (net \$0.5 million) - *Various*
- Lower Port contingency expense (\$0.4 million) - *Non-departmental*
- Lower travel expenses (\$0.3 million) - *Various*
- Lower land line voice and data expense (\$0.1 million) - *Non-departmental*
- Higher pollution remediation (\$0.3 million) - *Non-departmental*

**Utilities Cost of Sales** - \$2.6 million

Better than budget by \$0.9 million or 25.3%

- Lower electricity costs in the Maritime area (\$0.6 million) and at the Airport (\$0.3 million)

**Departmental Credits** - \$11.2 million

Better than budget by \$3.0 million or 37.0%

\* Excludes depreciation & amortization

General Notes:

- "Revenue divisions" are collectively Aviation, Maritime, Commercial Real Estate (CRE)
- Where applicable, primary source of variance by division is noted after each item.
- In general, the Port's annual budget is seasonally adjusted. However, certain line items that cannot be seasonally adjusted with any level of predictability (e.g. legal contingency) and are simply allocated equally over 12 months.

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**PORT OF OAKLAND**

Unaudited  
Capital Needs Assessment (CNA)  
Expenditures and Funding Summary

March 31, 2013

PORT OF OAKLAND  
**CAPITAL NEEDS ASSESSMENT (CNA)**  
**SUMMARY**  
 Fiscal Year 2012 - 2013  
 For the Quarter Ending 3/31/13



- Total Approved Budget = \$149 million (\$111.6 million initially approved + \$37.4 million additionally approved)
- Capital Expenditures YTD = \$68.4 million
- Remaining Approved Budget = \$80.6 million.
- 67% of Expenditures funded with Grants and PFCs.

**EXPENDITURE SUMMARY (\$000s)**

	Expenditures (unaudited) 7/1/12 - 3/31/13	FY 12-13 Total Approved Budget	FY 12-13 Remaining Approved Budget	FY 12-13 Remaining Pipeline Budget (a)	FY 12-13 CNA	5-Year CNA (b)
	[1]	[2]	[2] - [1]	[3]	[2] + [3]	
Aviation Division	38,735	98,310	59,575	(8,047)	90,263	469,257
Maritime Division	28,821	44,026	15,205	260	44,286	152,950
Commercial Real Estate Division	58	2,113	2,055	575	2,688	6,691
Support Divisions & Other	805	4,557	3,752	605	5,162	9,262
<b>Total</b>	<b>68,419</b>	<b>149,006</b>	<b>80,587</b>	<b>(6,607)</b>	<b>142,399</b>	<b>638,160</b>

**FUNDING SUMMARY (\$000s)**

Source	Funding (unaudited) 7/1/12 - 03/31/13	Anticipated FY 12-13 Total Approved Budget	Anticipated FY 12-13 CNA	Anticipated 5-Year CNA (b)
Grants (c)	24,463	39,451	27,933	212,225
CFC	0	0	0	0
PFC Pay-Go	21,669	31,124	31,124	109,561
Commercial Paper (Debt)	0	30,147	35,058	144,421
Port Share - Cash	22,288	48,284	48,284	171,953
<b>Total</b>	<b>68,419</b>	<b>149,006</b>	<b>142,399</b>	<b>638,160</b>

- (a) Negative numbers in Pipeline Budget reflect additional Board authorization obtained during the course of this fiscal year in excess of what was originally estimated as Pipeline.
- (b) 5-Year CNA includes FY 2012-13 through FY 2016-17.
- (c) Includes grant eligible costs for which reimbursement by the granting agencies is pending. Reimbursement timing lags vary by grant.

PORT OF OAKLAND  
**CNA EXPENDITURE SUMMARY**  
**AVIATION DIVISION**  
 Fiscal Year 2012 - 2013  
 For the Quarter Ending 3/31/13

 **DRAFT**

(\$000s)

Major Projects	Expenditures (unaudited) 7/1/12 - 3/31/13	FY 12-13 Total Approved Budget	FY 12-13 Remaining Approved Budget	FY 12-13 Remaining Pipeline Budget (a)	FY 12-13 CNA	5-Year CNA
	[1]	[2]	[2] - [1]	[3]	[2] + [3]	
OAK Terminal 1 Renovation and Retrofit	18,136	32,930	14,794	2,250	35,180	187,970
Runway Safety Area (RSA) Improvements	8,598	29,840	21,242	(12,340)	17,500	103,100
Perimeter Dike Upgrades	189	1,384	1,195	500	1,884	47,029
Reconstruct Runway 11-29 Rehabilitation, South Field	0	0	0	0	0	25,000
Bart Sponsored "Bart-Airport Connector Project"	5,410	12,825	7,415	0	12,825	23,525
Stormwater System Rehabilitation (Pump Houses)	644	3,001	2,357	0	3,001	14,635
Common Areas Utilities Projects	526	2,863	2,337	1,392	4,255	13,505
Ground Access and Parking	0	100	100	1,475	1,575	12,100
Leased Area Improvements	41	1,609	1,568	250	1,859	9,079
Passenger Boarding Bridges	0	0	0	250	250	6,550
Reconstruct Runway and Taxiways	3,746	5,437	1,691	0	5,437	6,437
Terminal Improvements	174	2,797	2,623	(1,467)	1,330	5,130
CCTV Program & Other Security System Upgrades	6	220	214	340	560	4,366
North Field Pavement/Lighting/Signage	0	0	0	300	300	2,500
FAA Tower Relocation	135	800	665	0	800	2,000
Capital Equipment - Aviation	0	400	400	122	522	1,922
Ron Cowan Bikeway/Guardrail	0	0	0	150	150	1,474
Other Projects	19	344	325	511	855	855
Pre-Development Work	455	500	45	0	500	500
Misc. Facility Replacement Projects	393	500	107	0	500	500
Airport Rescue & Firefighting (ARFF) Truck	0	330	330	0	330	330
Reconstruct Taxiway V & Y	49	300	251	0	300	300
Airport Layout Plan	188	250	62	0	250	250
South Airport Concession Program Infrastructure	24	100	76	0	100	200
Airfield Ramp Control	0	1,780	1,780	(1,780)	0	0
<b>Grand Total</b>	<b>38,735</b>	<b>98,310</b>	<b>59,575</b>	<b>(8,047)</b>	<b>90,263</b>	<b>469,257</b>

(a) Negative numbers in Pipeline Budget reflect additional Board authorization obtained during the course of this fiscal year in excess of what was originally estimated as Pipeline.

PORT OF OAKLAND  
**CNA EXPENDITURE SUMMARY**  
**MARITIME DIVISION**  
 Fiscal Year 2012 - 2013  
 For the Quarter Ending 3/31/13

 **DRAFT**

(\$000s)

Major Projects	Expenditures (unaudited) 7/1/12 - 3/31/13	FY 12-13 Total Approved Budget	FY 12-13 Remaining Approved Budget	FY 12-13 Remaining Pipeline Budget	FY 12-13 CNA	5-Year CNA
	[1]	[2]	[2] - [1]	[3]	[2] + [3]	
Oakland Army Base	2,719	9,425	6,706	(1,550)	7,875	81,875
Shore Power Program	24,781	27,000	2,219	0	27,000	43,100
Security Projects	622	5,621	4,999	0	5,621	14,685
Other Projects	419	765	346	1,350	2,115	4,915
Dredging (-50 Ft Deepening Project)	172	200	28	0	200	3,800
Capital Equipment - Maritime	0	265	265	310	575	2,175
Middle Harbor Shoreline Park Service Center	0	0	0	0	0	1,500
Misc. Facility Replacement Projects	60	500	440	0	500	500
Berths 30-33 (TraPac) Container Yard Improvement	47	250	203	0	250	250
EMS/APL Terminal Wharf Reconstruction	0	0	0	150	150	150
<b>Total</b>	<b>28,821</b>	<b>44,026</b>	<b>15,205</b>	<b>260</b>	<b>44,286</b>	<b>152,950</b>

PORT OF OAKLAND  
**CNA EXPENDITURE SUMMARY**  
**COMMERCIAL REAL ESTATE DIVISION**  
 Fiscal Year 2012 - 2013  
 For the Quarter Ending 3/31/13

 **DRAFT**

(\$000s)

Major Projects	Expenditures (unaudited) 7/1/12 - 3/31/13	FY 12-13 Total Approved Budget	FY 12-13 Remaining Approved Budget	FY 12-13 Remaining Pipeline Budget	FY 12-13 CNA	5-Year CNA
	[1]	[2]	[2] - [1]	[3]	[2] + [3]	
<b>Jack London Square Improvements</b>	0	820	820	375	1,195	3,423
<b>Misc. Facility Replacement Projects</b>	0	325	325	0	325	1,550
<b>Oak-to Ninth Avenue District</b>	58	600	542	0	600	600
<b>Business Park</b>	0	0	0	0	0	550
<b>Embarcadero Cove</b>	0	368	368	150	518	518
<b>Other</b>	0	0	0	50	50	50
<b>Total</b>	<b>58</b>	<b>2,113</b>	<b>2,055</b>	<b>575</b>	<b>2,688</b>	<b>6,691</b>

PORT OF OAKLAND  
**CNA EXPENDITURE SUMMARY**  
**SUPPORT DIVISIONS and OTHER**  
 Fiscal Year 2012 - 2013  
 For the Quarter Ending 3/31/13

 **DRAFT**

(\$000s)

Major Projects and Other	Expenditures (unaudited) 7/1/12 - 3/31/13	FY 12-13 Total Approved Budget	FY 12-13 Remaining Approved Budget	FY 12-13 Remaining Pipeline Budget	FY 12-13 CNA	5-Year CNA
	[1]	[2]	[2] - [1]	[3]	[2] + [3]	
<b>Information Technology - ERP</b>	805	4,157	3,352	245	4,402	7,252
<b>Capital Equipment</b>	0	125	125	285	410	1,410
<b>Other Equipment &amp; Systems</b>	0	275	275	75	350	600
<b>Total</b>	<b>805</b>	<b>4,557</b>	<b>3,752</b>	<b>605</b>	<b>5,162</b>	<b>9,262</b>

STRATEGY & POLICY

This segment of the meeting is reserved for action or discussion on Strategy and Policy Issues.





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**INFORMATIONAL REPORT TO THE  
OAKLAND BOARD OF PORT COMMISSIONERS**

**REGARDING THE AVIATION DIVISION**

**MAY 23, 2013**

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**PURPOSE OF THE INFORMATIONAL REPORT TO THE BOARD OF PORT COMMISSIONERS (“BOARD”)**

The purpose of this informational report is to:

1. Inform the Board and the public regarding the role of the Port of Oakland’s (Port’s) Aviation Division in promoting the Port’s goals and business activities;
2. Provide details regarding the Aviation lead Fiscal Year 2014 Strategic Priority Initiative; and
3. Catalyze a policy-level discussion among Board members about the Port’s Aviation Business Development strategies at the May 23, 2013, Board meeting.

The discussion will guide staff in managing and implementing the Port’s business development programs consistent with the Port 5-year Strategic Plan and to achieve the Fiscal Year 2014 Strategic Priorities.

**THE AVIATION DIVISION CONTEXT AND FUNDING**

The Aviation Division manages, operates, maintains, develops, and promotes Oakland International Airport (OAK) under the policy direction and in accordance with the mission, goals, and objectives set forth by the Board of Port Commissioners. The Aviation Division is unique in that, in addition to its landlord duties, it operates and maintains facilities to a much greater extent than other Port Divisions that serve primarily in landlord or support roles. This requires 24/7/365 staffing plans and in depth knowledge of and coordination with our tenants’ business operations. Aviation is one of the most heavily regulated industries and as such the Aviation Division operates under a multitude of federal, State, and local regulations, and is unique in that it is routinely inspected and audited by the federal government. Aviation employs diverse business arrangements with its tenants and business partners including short-term and long-term leases, port development, tenant development, third party development, and consortium agreements.

Aviation Division revenues are generated from use of OAK’s 2,600 acres of property. Airfield and terminal related expenses (including indirect and overhead charges) are recovered through concession revenues, TSA grants, and airline rates and charges. Parking revenues, ground transportation fees, non-terminal leases and fees (including cargo and business/general aviation facilities), and fuel consortium charges are available to fund remaining expenses including indirect and overhead charges. Capital funding sources include Passenger Facility Charges (\$4.50 per enplaned passenger), Airport Improvement Program Grants (typically \$10-20 million annually), other various grants, and Port Share (cash, or borrowed funds). The Port share may be reimbursable by the airlines depending on the project.

**ORGANIZATION AND STAFF RESOURCES**

Aviation Division Departments serve primarily an operational role or a development role, however all departments have functions in both and support both broad categories to achieve the Port's goals. This cross-departmental support is promoted through a culture of understanding of the Port's Aviation strategy and the tactics needed to achieve them. Staffing includes 242 positions with an average of 35-40 positions at any one time vacant or filled with persons on some form of longer-term leave (not vacation or sick leave). The work of the Division is organized into the following departments:

***Airside***

Airside is responsible for compliance with federal Operating Certificate requirements including airfield condition compliance, procedure and documentation compliance, emergency preparedness compliance, and security compliance. Airside supervisors serve as the Manager on Duty (MOD) 24/7 to resolve issues and ensure a continuous safe and secure operating environment. MODs manage emergency situations and resources on behalf of the Port. Airside also handles all phone calls to the Airport, and monitors access control, CCTV, fire alarm, and incident notification systems. Airside staff develops and implements the community noise abatement and monitoring program and airport operational environmental programs.

- Conducts 1,100 inspections of the airfield every year
- Ensures compliance with 150 regulations on 5,000 pages of requirements
- Resolves 300 access control alarms every week
- Facilitates 400 medical calls every year
- Responds to 2,366 noise calls from 191 individuals
- Hosts 8 community aircraft noise related meetings per year

***Security***

Security is responsible for developing and maintaining the Airport security program in compliance with all laws and regulations. In accomplishing its responsibilities, Security promotes and maintains partnerships and related contracts, prepares and maintains the Airport Security Manual, as well as security procedures and directives. With support from Aviation IT and Airside, Security plans, develops, manages and maintains the access control system. Security also manages, operates and enforces the Airport Badging Program in compliance with federal regulations. Security staff provides an Airport Security Coordinator available 24/7.

- 6,500 active Airport Security Badges (each badge must be issued and then renewed every 12 or 24 months)

***Landside***

Landside manages and performs custodial services for all facilities under Port responsibility (e.g. terminals, North Field offices, Sheriff's offices, ramp areas). Terminal signage and lost and found are also handled by

Landside. Landside manages the ground transportation and curbside program including developing and implementing compliance, rules and regulations and fee structures.

- 148 different ground transportation companies permitted and inspected
- 350,000 square feet of interior terminal and offices to clean
- 125,000 square feet of ramp and curb to clean
- 40,000 square feet of windows to clean
- 54 separate restrooms most of which have as many as 15 stalls each

### ***Facilities***

Facilities maintains the entire 2,600 acre campus and all facilities within the campus not directly maintained by tenants. Maintenance responsibilities include terminals, terminal equipment, utilities, airfield pavement and paint stripping, roadway pavement and paint stripping, North Field buildings, airfield and roadway signage, indoor and outdoor lighting, vegetation control, and landscaping. Maintenance activities are prioritized by safety, compliance, revenue impact, and customer service.

- 13,129,000 square feet of airfield pavement with paint stripping
- 1,680,000 square feet of roadway pavement with paint stripping
- 10 miles of security required perimeter fencing
- 1,500 doors
- 2,200 airfield lights
- 600 street lights
- 80 HVAC units
- 800,000 square feet of terminal (upper and lower levels) and related buildings to paint, repair and maintain

### ***Information Technology***

Aviation IT develops, implements, operates and maintains IT infrastructure to support airline and Airport operations, including common use, flight information display systems (FIDS), baggage information display systems (BIDS), assistance with programmed facility equipment, information display screens, and all back of house distribution systems (responsibilities exclude Port staff desktop computers at the Airport which are managed by IT Division).

- 2 main and 27 intermediate distribution frames
- 32 servers, 28 routers, 92 network switches
- 3 firewalls
- 2 telephone systems
- 240 miles of fiber optic cable
- 150 common use workstations, 150 boarding scanners, 75 bag tag printers and 75 ticket printers
- 134 information displays
- 43 wireless access points
- 23 separate systems serving Airport and airline operations

## ***Properties***

Properties leases and develops on-Airport properties. This business development includes engaging with partners in off-Airport economic development, negotiating leases, maintaining the airline operating agreement and other tenant standards, facilitating tenant investment and development, and overall property management.

- 440 leases (including passenger airlines, cargo airlines, FAA, TSA, corporate, general aviation, mobile phones, tank farm, and a golf course)
- Approximately \$100 million in tenant capital investment underway in current projects, such as the expansion of the FedEx facilities currently underway.

## ***Planning and Development***

Planning and Development forecasts, plans, prioritizes, funds, develops, and implements the Aviation capital program to achieve scope, budget, and schedule goals. Responsibilities including managing grant program applications and funding, system planning, project planning, project management, stakeholder engagement, off-airport relationships to support on- and off-Airport development, industry and agency relationships and representation (FAA, Regional Airport Planning Committee, Alameda County Airport Land Use Commission, and several ad hoc regional committees at any one time)

- \$28 million received, \$7 million pending in 2013 AIP grants
- \$2 million in 2013 Voluntary Airport Low Emission grants
- \$7 million in 2013 Department of Water Resources grants
- 100 projects in the five-year CNA
- 60 CNA projects being worked on in FY 2013

## ***Business Office***

The Business Office is responsible for coordinating and tracking the annual operating budget and managing the parking and shuttle bus operations including ensuring compliance with operator contracts.

- 876,000 parking transactions in 2012
- 6,500 public parking spaces
- 814,000 AirBART riders shuttled

## ***Aviation Marketing and Communications***

Aviation Marketing and Communications is responsible for several key functions including air service business development, aviation related advertising, communications and social media.

## Air Service Business Development

- As the top Department priority, Aviation Marketing and Communications conducts over 100 annual meetings with current and potential passenger and cargo air carriers including airline visits to OAK, staff visits to airlines' headquarters and meetings at route development forums held throughout the year:
  - Prepares customized route specific presentations for each air carrier based upon staff and consultant market research and analysis
  - Engages air carriers in a consultative manner with route and scheduling suggestions and opportunities
  - Engages local corporations and tourism authorities to develop partnerships in support of inbound and outbound traffic generation matched with air service initiatives
- With the intended goals of developing leads, understanding trends and maintaining current levels of air service:
  - Reports weekly on analysis of airline schedule change filings
  - Reports monthly on analysis of passenger traffic at OAK, SFO, SJC as well as other California airports
  - Reports quarterly on analysis of airline financial performance at OAK and other competitive markets
  - Continuously monitors industry activity including route authority filings, bilateral air service treaty negotiations, aircraft orders and deliveries, merger activity and the SEC filings of incumbent and selected target air carriers

## Advertising

- Aviation advertising programs include targeted airport brand awareness and airline cooperative placements in social media and search engine optimized online formats as well as print, radio and television creating over 70,000,000 unique impressions annually.
- Advertising is highly targeted to specific audiences based upon demographic analysis and airline input.
- Creative assets and artwork is developed based upon staff and consultant efforts.
- Major cooperative air service and parking campaigns done at least twice per year; monthly offers target selected destinations for emphasis linked to a parking discount.

## Aviation Communications

- Dozens of "earned media" events annually are accomplished through press releases, executive interviews, photo opportunities, airline receptions, and other vehicles that are picked up by newspapers, television, magazines and internet websites.
- Reputation management and correction follow-up with media are accomplished routinely.
- 24/7 "on call" immediate media response to press inquiries.
- "Point To Point" business to business newsletter is sent out quarterly to over 1700 partners with special emphasis on airline route planning and marketing departments.
- Aviation communications activity is coordinated with Port of Oakland Communications.

## Aviation Social Media

- OAK's Facebook page has over 31,000 followers from over 20 countries and nearly 400,000 "check-ins" at the terminals. The average weekly reach is 650,000, with over 1 million in weekly reach during periods of peak activity.
- Routinely working in a coordinated manner with other agencies and customers for content.
- OAK's Twitter activity is programmed to emulate Facebook activity.
- Conduct scans and responses for reputation management and monitoring of various social media advisory sites such as Yelp, Trip Advisor, Google as well as Facebook and Twitter.

## Customer Service

- Customer satisfaction baseline survey underway. Improvement goals and measurements will be set from baseline and reported quarterly.
- Customer comments, complaints and compliments are responded to on the first business day following their receipt.
- Report monthly on cumulated consumer affairs activity and distributed to staff and tenants with follow-up discussion at monthly staff and tenant meetings.
- Information Booth volunteers donate over 20,000 hours annually in both terminals and answer over 3,000 questions each month.
- Collateral from all major Bay Area attractions and transportation options is coordinated, stocked and distributed to airline passengers. 80% of inquiries are related to BART and AirBART.

## STRATEGIC FOCUS

For Fiscal Year 2014, the Aviation Division has the leadership role in growing air passenger activity, a key element of expanding core business and creating economic development. Efforts to support implementation of this initiative are already underway in this fiscal year. As discussed previously and updated based on Board input, the key action items to support the business development efforts include:

- Aligning staff allocations to business development and infrastructure needs to support air passenger service – two changes have been approved by the Board and future targeted engineering needs will accompany specific project requests.
- Measuring and improving Customer Service – a draft survey design is underway and will serve as a benchmark and subsequent service will service to compare changes. The survey program is also planning to utilize the Summer Intern Program.
- Advance key CNA projects such as Terminal 1 renovation – this project is currently in the bidding phase.
- Promote increase in PFCs to support capital needs – staff is working actively with industry partners on legislation to include medium hub airports in potential opportunities to increase the amount of PFC collection.
- Improve access to CBP services – staff is meeting with similarly situated airports both within our region as well as nationally to advance the CBP staffing issue to be addressed as well as evaluating the recently announced pilot fee program. Recently staff worked with CBP on successful approval of two landing rights cases outside of the existing eight-hour service window and during sequestration.
- Working with parking contractor to develop and implement a more robust parking marketing program – staff has been working with the new contractor and will be launching the new program early in the new fiscal year.

- Complete and implement as directed by the Board findings from a market recognition study – staff is in the final stages of completing the study and will be prepared to receive Board direction for implementation early in the next fiscal year.

### **QUESTION FOR BOARD DISCUSSION**

Staff will present the attached slides discussing the situational analysis and business development strategies being deployed to achieve the growth in air passenger service. The intent of the presentation of this material is to prompt discussion and specifically to provide a basis for dialogue regarding the following generative discussion question:

***What other key partnerships or relationships can be developed to further promote passenger air service development?***

I ✈ OAK

# Air Service Business Development Aviation Marketing and Communications

Oakland International Airport May 2013

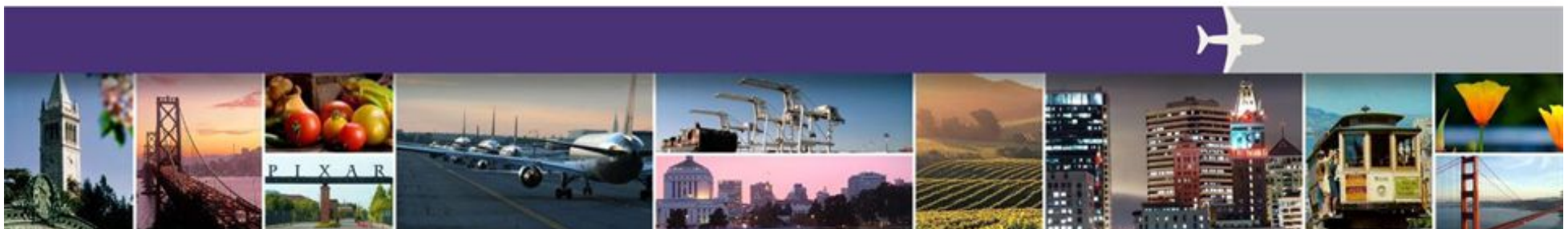


# Current OAK Route Map



# Accomplishments Since 2008

- **Nationally leading development**
- **13 new nonstop markets**
  - 22 attempted
- **5 new airlines**
  - **Hawaiian** – now largest Bay Area operation at OAK
  - **Volaris**, 1<sup>st</sup> US City, 2009
  - **Allegiant** – moved from SFO in 2009, base opens 2012
  - **Spirit**, 2011 – Only New Carrier n the Bay Area
  - **ArkeFly** – Nonstop to Europe in 2012. The first scheduled service to Europe since 2000.



# Accomplishments Since 2008



- **Award winning social media campaigns**
  - Facebook and Twitter international in scope
  - Interactive contest
  - Supports air service
- **Award winning branding and advertising**
  - Cooperative with air carriers and parking
  - Multimedia, highly targeted audience
  - Defines OAK value proposition
- **Strategic partnerships**
  - Cal Athletics and IMG



# Continued Challenges

- During the past six years, SFO’s growth has far exceeded the top airports in the country
- Only one other airport (Charlotte – CLT) has registered growth greater than 6%
- Excluding OAK, 21 of top 30 airports have actually seen capacity *declines*

**Seat Capacity Top 31 U.S. Airports  
May 2013 vs. 2007**

Airport	2013	2007	Change	Airport	2013	2007	Change
ATL	984,205	950,555	4%	<b>SFO</b>	<b>396,752</b>	<b>319,061</b>	<b>24%</b>
ORD	665,531	780,208	-15%	JFK	277,796	317,398	-12%
DFW	634,968	653,697	-3%	BOS	317,861	317,066	0%
DEN	566,182	559,413	1%	BWI	291,028	288,476	1%
LAX	566,925	547,388	4%	MDW	258,643	270,532	-4%
LAS	461,527	535,781	-14%	DCA	267,001	256,580	4%
PHX	455,270	526,911	-14%	SLC	221,874	246,961	-10%
IAH	353,162	418,248	-16%	IAD	183,490	235,681	-22%
DTW	348,861	409,631	-15%	TPA	194,501	228,957	-15%
MCO	352,752	404,400	-13%	FLL	221,886	226,182	-2%
CLT	471,272	402,368	17%	SAN	213,634	223,855	-5%
MSP	366,337	400,193	-8%	STL	170,086	202,712	-16%
PHL	314,875	381,993	-18%	MIA	212,476	200,537	6%
SEA	347,053	358,186	-3%	HNL	164,370	196,397	-16%
LGA	338,478	336,833	0%	<b>OAK</b>	<b>129,004</b>	<b>195,682</b>	<b>-34%</b>
EWR	295,063	319,976	-8%	<b>Top 31</b>	<b>7,522,461</b>	<b>7,985,781</b>	<b>-6%</b>

# Continued Challenges

- Developments leading to below cost pricing offered at SFO
- Geographic recognition problem
  - Ongoing challenge
  - Significant issue in targeted growth markets
- Previous airline performance presents ongoing perception of risk for new / restored service



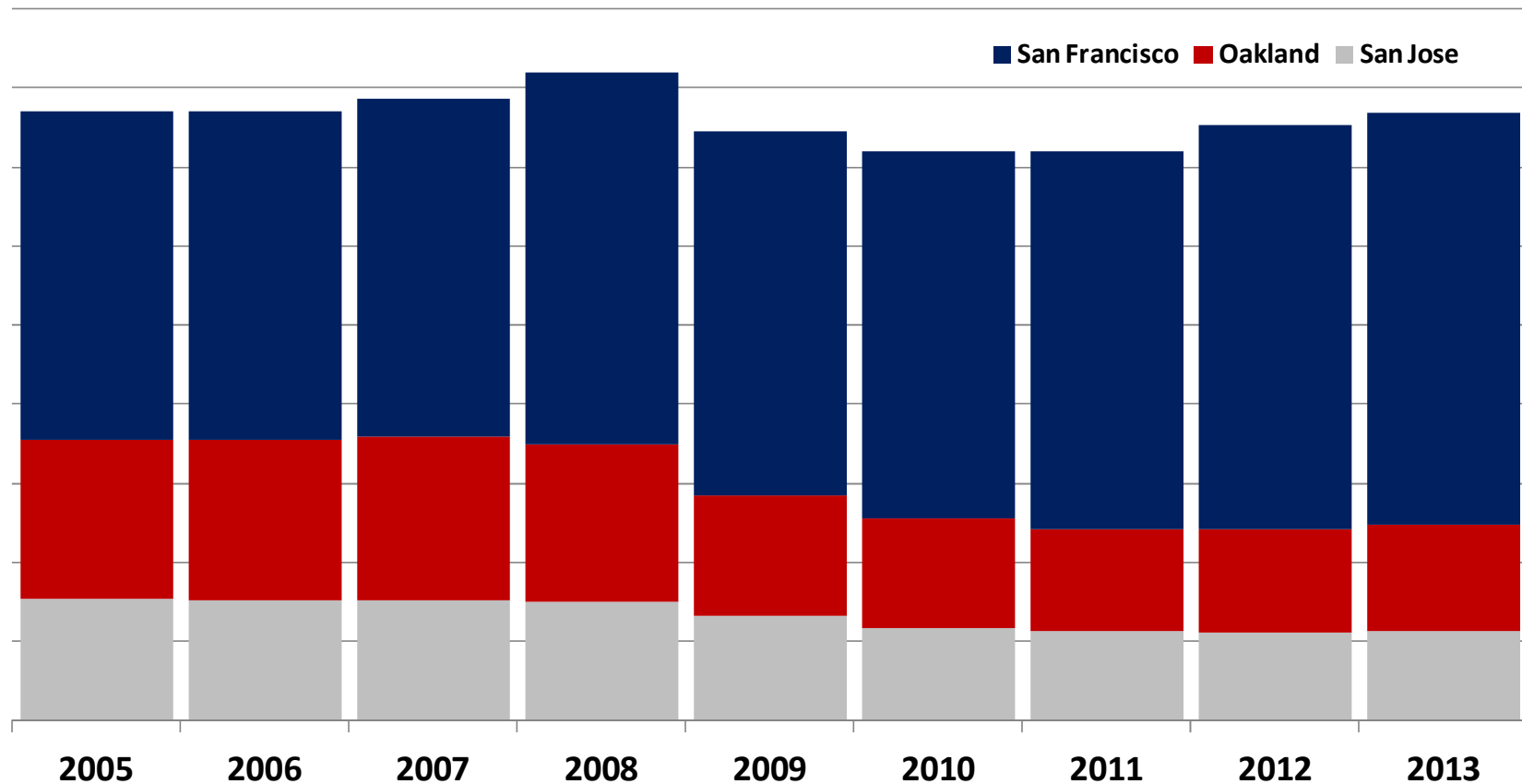
## Situational Analysis

- Overall Bay Area seat capacity has recovered to 2005 levels, 6% below 2008 peak seat capacity
- There has been an industry capacity shift to SFO with over 25% growth vs. 2005, while SJC and OAK are down over 25%
- The Bay Area has seen increased industry capacity on competitive transcon and intra-west coast routes, while there have been declines to major hubs
- BART Airport Connector opening in 2014 creates significant opportunity for airlines and consumers to “take a fresh look” at OAK
- OAK has the greatest population catchment among the three Bay Area airports
- OAK is the Bay Area’s most reliable airport. Easy to use, not typically effected by weather and an underutilized intercontinental range runway



## Bay Area Capacity Back to 2005 Levels With Airport Shift

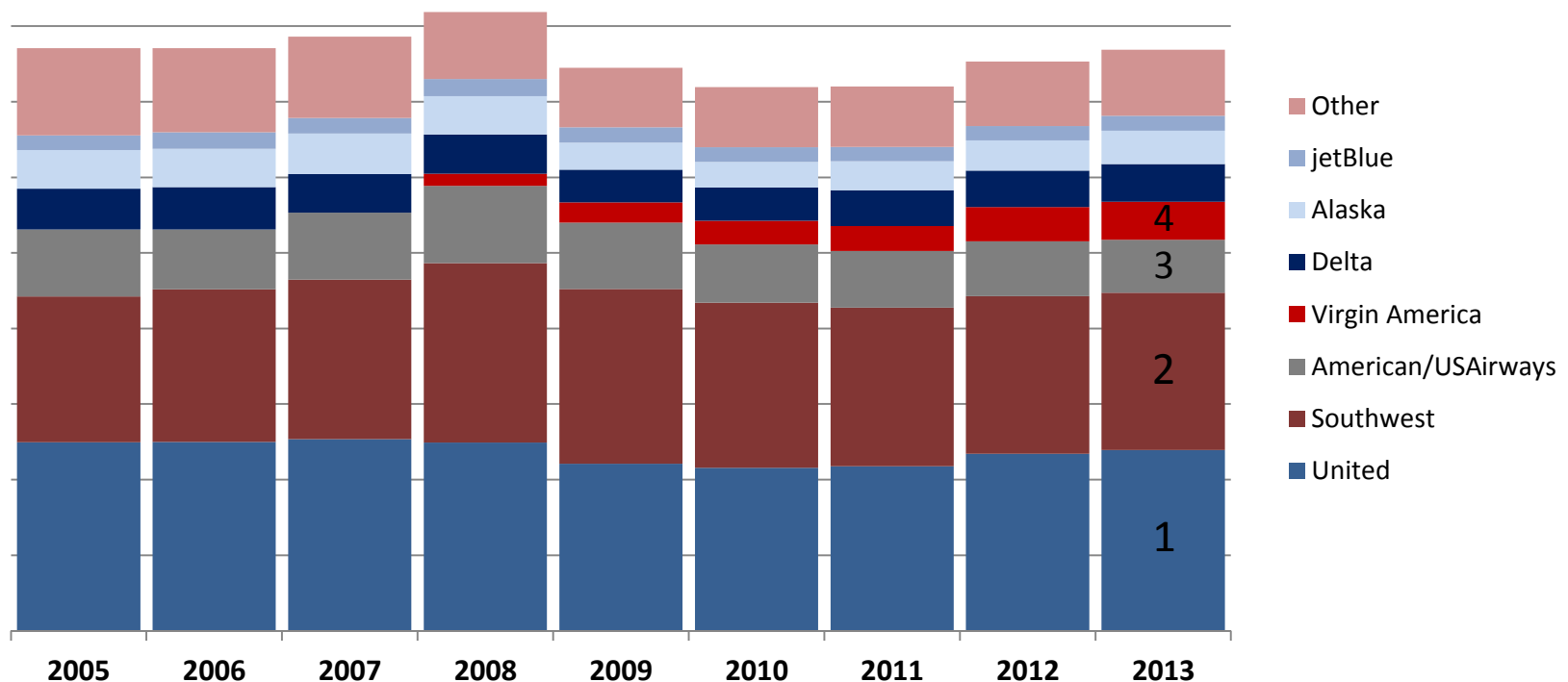
- Overall Bay Area capacity is near 2005 levels, although it is still down 6% vs. 2008
- SFO now accounts for 68% of total Bay Area seat capacity



# Virgin America Emerges as #4 Carrier

- United continues to lead the market and has only cut 4% since 2005, despite merger
- Virgin America and Southwest (+8%) account for industry “recovery” to 2005 capacity levels
- American/US (-21%), Alaska (-13%) and Delta (-7%) have all scaled back from the Bay Area
- Remaining niche carriers have cut 25% since 2005

Industry Seat Capacity: Bay Area (SFO, OAK, SJC)

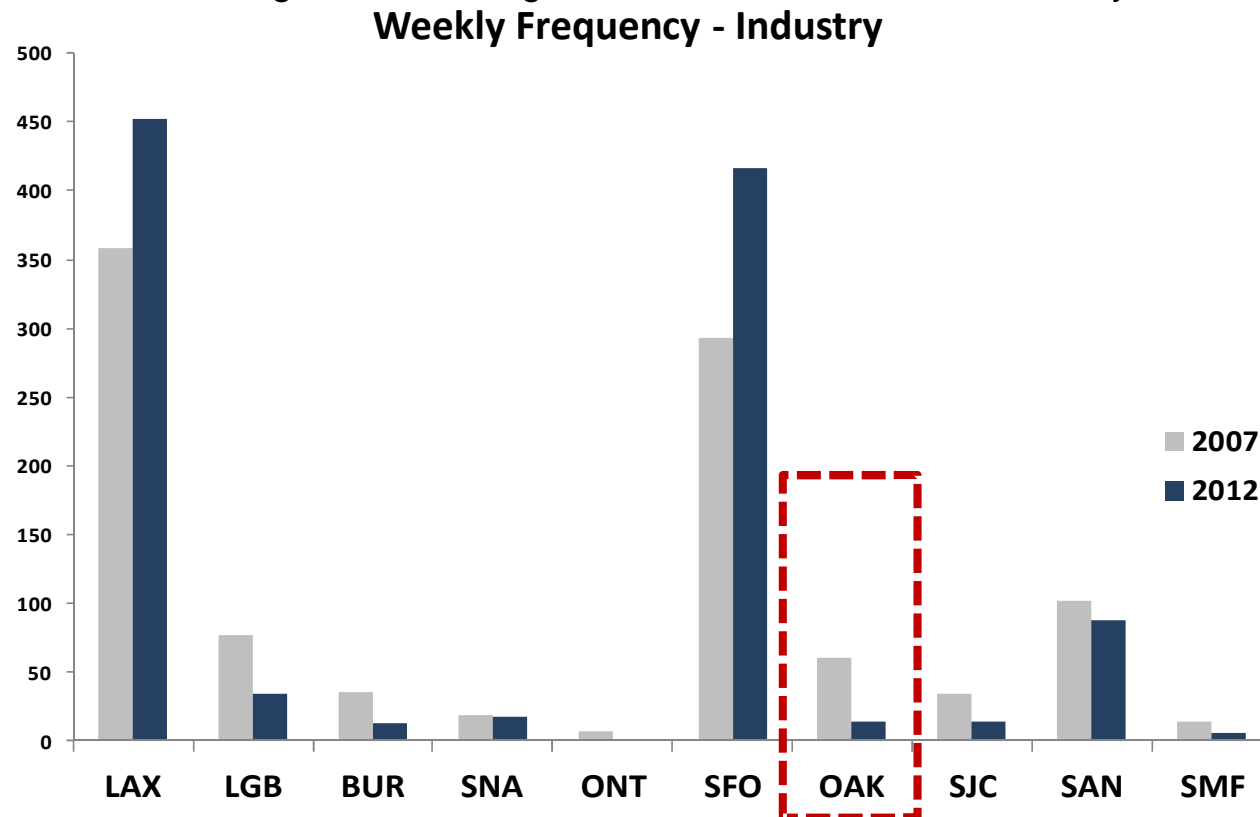


Source: Diio Mi



## Transcon Service Gaps - California Market Comparison

- **Most nonstop capacity between the West and East is focused on LAX / SFO**
  - This dynamic is a part legacy, but also partly the industry focusing competitively on Virgin America
  - “East” includes flights to Washington DC, Boston, and New York City area airports



## Bay Area Airport Service Comparison: OAK Gaps

- **OAK's medium and long-haul domestic service levels noticeably lag the amount of short-haul flights it has to the Western region**
  - Suggests a strong opportunity for future eastern expansion

### Weekly Departures

Region	SFO	OAK	SJC	OAK Gap
Transcon	505	7	11	Significant
West	2047	868	725	Moderate
Mid-America	511	44	92	Significant
Southeast	171	0	7	Significant
International	455	13	26	Significant
Total	3689	932	861	

## Six Key Air Service Opportunities for OAK



### Southwest Western Fortress

Leverage and expand #1 position in OAK  
Offensive position in the region supported by SFO and SJC



### Transcon Re-Development

Restore capacity balance to these markets  
Leverage regional network



### Alaska Airlines Focus Market

Develop Bay Area network  
Build on Hawai'i & Pacific NW strength



### Other Leisure Opportunities

Spirit  
Other niche low-cost carriers



### Eastern Hub Integration

Recover hub capacity  
Focus on Delta, the new American (longer-term)

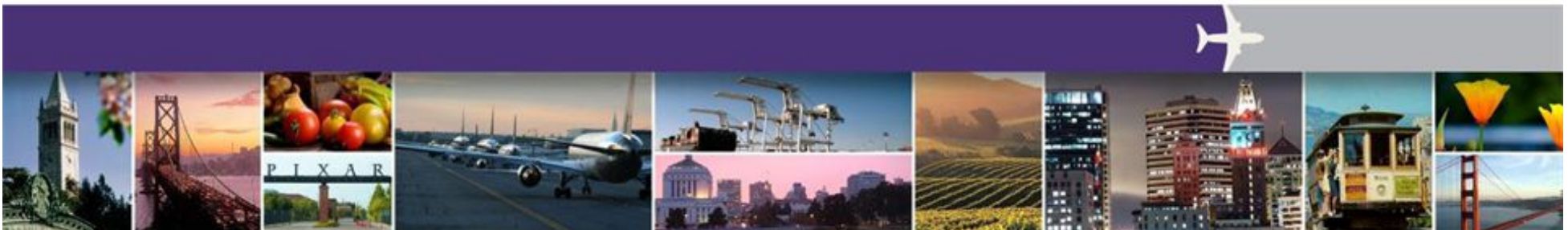


### International Gateway Development

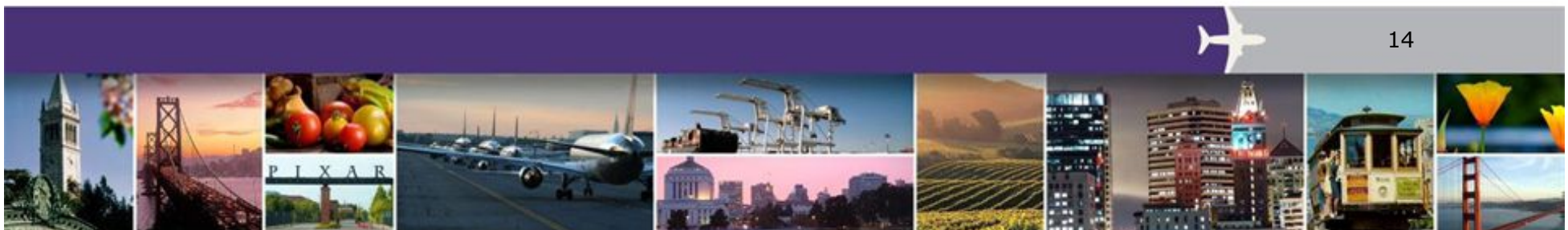
Europe and Asia low-cost opportunities  
Niche U.S. carrier gateway

# Ongoing Challenges

- 1. There is still overall airline inertia / gravity at SFO due to the competitive situation**
  - Capacity shifted to SFO due to may be slow to depart
  - Airlines increasingly risk-adverse to make capacity shifts involving possible investment
- 2. The industry generally frowns upon airport fragmentation**
  - Historically, picking one airport to focus Bay Area capacity has often meant SFO
  - Serving multiple “co-terminal” airports can reduce staffing/equipment efficiency
  - Airlines need a certain amount of critical mass to justify service
- 3. Growing alliances and partnerships among LCC group**
  - This could result in capacity sticking at international gateways



*“Oakland is the epicenter of coolness”* -The Huffington Post, May 2013



**BOARD MTG. DATE:** May 23, 2013



**AGENDA REPORT**

<b>TITLE:</b>	Ordinance Adopting Amendments to By-Laws And Administrative Rules of the Board of Port Commissioners
<b>AMOUNT:</b>	\$0
<b>PARTIES INVOLVED:</b>	Port of Oakland
<b>TYPE OF ACTION:</b>	Ordinance
<b>SUBMITTED BY:</b>	Danny Wan, Port Attorney
<b>APPROVED BY:</b>	Danny Wan, Port Attorney

**RECOMMENDED ACTION**

Approve and Adopt Ordinance making amendments to the By-Laws and Administrative Rules ("By-Laws") of the Board of Port Commissioners to clarify appointing authorities, bind Commissioners to follow certain Administrative Policies and Procedures and to make other amendments relating to governance and delegation of powers and duties.

**FACTUAL BACKGROUND**

The Port Attorney presented a set of proposed amendment to the By-Laws during the Board meeting of May 9, 2013. The Board reviewed the proposed amendments and directed the Port Attorney and Secretary to (a) explore administrative mechanisms for approval of Direct Report and Board Member travel and hosting reimbursements, (b) propose an alternative process for appointing revenue division directors and the Chief Financial Officer which would allow the Board more input than simply the power to ratify such appointments, and (c) compile the scope and duration of the current ad hoc committees.

The By-Laws have historically been the document by which the Board has encoded rules governing its own proceedings, conduct of meetings, election of officers, Port organizations, assignment of its duties and delegation of its powers. The Board also has adopted certain other ordinances or resolutions that govern the delegation and exercise of certain broad categories of the Board's powers, such as classifications and salaries, purchasing and performance evaluations and compensation of executive management staff.

This staff report describes proposed amendments to the By-Laws and summarizes other Board rules that govern the Board's exercise of its powers.

From time to time, the Board has amended the By-Laws to reflect its current priorities or best practices. In the past two years, the Board has twice amended the bylaws:

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- September 15, 2011: amendments to apply uniform appointment and hiring procedures for non civil-service positions.
- October 18, 2012: amendments to update certain delegations of powers and operational procedures, including the authority for the Executive Director to execute certain short-term intermittent space use agreements, for the Port Attorney to enter into certain settlements, and for the delegation of CEQA findings authority in some situations.

The Board has directed that a “phase III” set of amendments be made to clarify the appointing authorities for various senior management positions and to reflect recent decisions made during the governance discussions among Commission members and as part of changes in internal control policies.

**SUMMARY OF PROPOSED BY-LAWS AMENDMENTS**

The following describes the proposed substantive amendments made by topic:

**1. Powers of the Board:**

*Article I (General Provision)* is added to restate that the Board has the powers of exclusive control and management of the Port, unless expressly delegated by means of the By-Laws or other specific resolutions or ordinances of the Board (see also *Article XII (Authorities and Organization), Section 1*). The By-Laws govern the organization, the proceedings of the Board and the manner in which the Board conducts its business.

**2. “Direct-Reporting Officers”**

*Article II (Members and Officers – Elections), Section 1* defines the Board Secretary, Executive Director, Port Attorney and Port Auditor as “Direct-Reporting Officers” of the Port. *Article XII (Authorities and Organization), Section 2* reserves to the Board the power to appoint, hire, set compensation, release and discipline the Direct-Reporting Officers. *Section 4* of the same Article provides that the Board President has the authority to approve travel and hosting for the Direct-Reporting Officers (subject to override by the Board). Direct-Reporting Officers must report their planned absences to the Board President and the Board may disapprove such absences. Pursuant to concerns expressed at the May 9 Board meeting that the Board President may be excessively burdened by the administrative tasks of approving expense reimbursements, staff amended the recommended language of the By-Laws so that the Board President is the approving authority only as to any pre-approvals that are necessary for Direct-Reporting Officer’s travel or hosting (e.g. hosting over \$250 or travel beyond 100 miles). The subsequent approval of expense reports for reimbursements that are submitted after the travel or hosting events are then approved by the Chief Financial Officer pursuant to the Port’s reimbursement policies.

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**3. Brown Act Compliance and Committees**

*Article III (Meetings), Section 4* clarifies that the Ralph M. Brown Act shall govern meeting requirements of the Board, including the closed session, and preempts any conflicting rules of the Port. It replaces a previous section that restated certain Brown Act requirements while leaving out other provision. *Article V (Committees), Section 1* provides that the Board may create standing or ad hoc committees as long as such committees are created and meet consistent with the Brown Act rules. *At the May 9 Board meeting, there was discussion about whether certain standing or ad hoc committees should be specifically enumerated in the By-Laws. The Port Attorney advised that ad hoc committees legally may not be enumerated in the By-Laws, because the creation of any committee by designation in the By-Laws would necessarily render the committee a standing committee that is subject to all the administrative and legal requirements of the Brown Act, noticing and other reporting requirements. Pursuant to the discussion, staff will be providing a summary of the current ad hoc committees of the Board, including a description of each committee's assigned tasks and its duration. Due to agenda deadlines, this summary will be added as a supplemental report.*

**4. Instructions to Staff Made Through the Whole of the Board.**

*Article IV (Proceedings of the Board), Section 1* is augmented to include the Board's agreement that instructions to staff shall be made by the entire Board by the way of a Board motion or resolution.

**5. Appointing Authorities**

Various amendments clarify that the Board retains the authority to appoint the Direct-Reporting Officers, but delegates the appointing authority for all other employee positions to each of the Direct-Reporting Officers, while reserving the right to ratify certain appointments of the senior management ranks, as summarized below. *All appointments, regardless of the appointing authority, must follow appointment and hiring procedures established by Board policies and civil service rules, if applicable (Article XII (Authorities and Organization), Section 7).*

a. The Executive Director is delegated the authority to appoint, evaluate and dismiss all employees of the Port except for the Direct-Reporting Officers and those positions the appointments of which are delegated to other Direct-Reporting Officers. *(Article IX (Executive Director), Section 2)* However, *Article XII (Authorities and Organization), Section 5* provides that the Board must ratify the appointments of any assistant or deputy executive director and all division heads (including maritime, aviation, commercial real estate, chief financial officer, engineering, social responsibility, corporate administration, external affairs, information technology, environmental planning and programs, and labor advisor). *Certain concerns were expressed at the May 9 Board meeting that the Board should have more input than just a ratifying role in the appointment of certain senior management appointees. On the other hands, it is reasonably to expect that the Executive Director would in*



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*practice consult with the Board in her decision to appoint highly visible director positions since she will ultimately need the consent of the Board for the appointee. Nonetheless, the following language may be an alternative to the recommended By-Laws language in Article XII, Section 5 to accommodate the concerns expressed:*

*"Article XII. . .*

*5 .The appoints and hires to the following positions and places of employment shall be made by the designated appointing authority for each such position ("Appointing Authority"); provided however that (a) the Appointment Authority shall consult the Board relating to the prerequisite qualifications and process of recruitment for each such position, (b) the appointment shall be subject to ratification by the Board prior to any appointee taking office, and (c) the appointment is subject to the following conditions: . .*

b. The Board Secretary is delegated the authority to appoint, evaluate and dismiss one or more assistant secretaries (Article VIII (Secretary), Section 9), provided that the Board must ratify the appointment (Article XII (Authorities and Organization), Section 5).

c. The Port Attorney is delegated the authority to appoint, evaluate, and dismiss one or more assistant and deputy port attorneys, legal assistants and legal secretaries (Article X (Port Attorney), Section 13), provided that the Board must ratify the appointment of any assistant port attorney (Article XII (Authorities and Organization), Section 5).

d. The Auditor is delegated the authority to appoint, evaluate and dismiss one or more assistant auditors and senior and other staff auditors (Article XI (Auditor), Section 3), provided that the Board must ratify the appointment of any assistant auditor (Article XII (Authorities and Organization), Section 5).

## **6. Short Term Rental Agreements**

All contracts, lease agreements or space use agreements must be approved by the Board before they are binding on the Port, except that the Executive Director and the Port Attorney are delegated the authority to enter into certain types of agreements pursuant to the By-Laws and various ordinances (See "SUMMARY OF OTHER BOARD POLICIES"). Article IX (Executive Director), Section 6 is amended to clarify that the Executive Director's authority to enter into rental agreements is limited to those agreements with a rental period of not longer than a year, including any period of hold-overs, extensions or renewals. Any occupancy of longer than a year, regardless of the term actually stated in the agreement must, be approved by ordinance of the Board. Under the Charter, Section 705, any lease longer than one year must be approved by the Board by ordinance.

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**7. Additional Executive Director Authorities**

The amendments include certain additional delegations of power to the Executive Director, including

- a. payment of permitting and regulatory oversight fees (Article IX (Executive Director), Section 21(d)); and
- b. filing of grant applications and acceptance of grant funding awards for implementation of actions already approved by the Board (Article IX (Executive Director), Section 23).

**8. Confidentiality Agreements**

Article X (Port Attorney) Section 12 is amended to clarify that the Port Attorney has the authority to enter into confidentiality agreements for the purpose of protecting proprietary confidential information as well as attorney-client or work-product privileges.

**9. Auditor Consultation with Port Attorney**

Article XI (Auditor), Section 4 is amended to require the Auditor to consult the Port Attorney relating to any question of law that may be raised in an audit report unless the Port Attorney has a conflict of interest and provided that the contents of any audit report is within the professional discretion of the Auditor.

**10. Board Adherence to Certain Administrative Policies; Board Expenditure Approvals**

Under Article IX (Executive Direction), Section 12, the Executive Director is authorized to issue administrative policies and procedures governing the day-to-day operations of the Port by Port staff, which usually do not govern Board practices and proceedings. Article XII (Authorities and Organization), Section 3 is added by which the Board binds itself to those administrative policies and procedures to the extent necessary to a) comply with applicable laws, including but not limited to, the Ralph M. Brown Act, the Political Reform Act (and other Laws governing ethics of public officials), the Public Records Act, and state and federal civil rights, employment and non-discrimination Laws; (b) conform to the spending limits and approval procedures for travel and hosting expenditures; and (c) conform to accounting and records-keeping requirements for reimbursement of actual Board expenses necessary to carry out the business of the Board. Section 4 provides that the Board President shall act as the pre-approval authority for travel and hosting expenditures for Commissioners (or the First Vice-President in the case of the President's expenditures), subject to override by the full Board.

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**OTHER BOARD AND ADMINISTRATIVE POLICIES GOVERNING DELEGATION OF POWERS AND BOARD PROCEEDINGS**

In addition to the By-Laws, there are other Board-adopted policies in the form of Ordinances or resolutions that cover general areas of assignment of Board duties and delegation of powers. As well, there are Administrative Policies and Procedures that may impact the manner by which the Board exercises its powers. For example, the recommended action under this Report also recommends an amendment to Ordinance No. 867, which governs the creation of positions by the Board and the fixing of compensation. The amendment to 867 is necessary to avoid any conflicting provisions between it and the By-Law Amendments proposed.

The Port Attorney's office is undertaking a survey of these additional policies and rules to consider improving the way the Port maintains, updates and distributes these policies in order to ensure the relevance of such policies and their uniform application to situations to which they may apply. For the purpose of supplementing your consideration of the By-Law amendments, the following chart sets forth some of the other Board policies and Administrative Procedures that are relevant to your consideration.

**Summary of Port Rules Relating to Board Delegation and Procedures**

Port Rule	Summary	Comment/Recommendation
<p><b>1. Ordinances and Resolutions</b></p>	<p>All actions of the Board are taken by ordinance or resolution. Typically such ordinances or resolutions authorize staff to implement the actions approved by the Board and delegate to the Executive Director the authority to enter into agreements relating thereto. Set forth below are specific ordinances that either have broad delegation of authority or relate to Board procedures.</p>	
<p>Salary Ordinance</p>	<ul style="list-style-type: none"> <li>• <b>Ordinance 867</b> – Ordinance 867 creates positions of employment at the Port and fixes the salary schedule and other compensation for such positions.</li> </ul>	<p>Ordinance 867 was enacted in 1953 and has been amended numerous times since then to change the salary and other compensation for Port employees. The Ordinance, along with its numerous amendments, is a cumbersome document that is difficult to use. The PAO recommends that the current provisions in Ordinance 867</p>

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Port Rule	Summary	Comment/Recommendation
		and its amendments be restated in a "code" format that is in electronic form and searchable.
Purchasing Ordinance	<ul style="list-style-type: none"> <li>• <b>Ordinance 1606</b> - Ordinance 1606 establishes the conditions and procedures for the purchase of supplies, equipment and services to the Port. Under Ordinance 1606, the Executive Director has delegated authority to enter into contracts for up to \$250,000 for budgeted supplies or services (except professional services), budgeted professional services of up to \$150,000, non-budgeted supplies or services of up to \$100,000 and non-budgeted professional services of up to \$100,000.</li> </ul>	Ordinance 1606 is in the process of being reviewed and staff will be bringing back to the Board proposed revisions to 1606.
Personnel Rules and Procedures	<ul style="list-style-type: none"> <li>• <b>Ordinance 2199</b> - The Personnel Rules and Procedures set forth, among other things, the process for hiring and terminating employees, including the procedure the Board takes when taking any disciplinary action against any employee for misconduct, incompetency or failure to perform duties.</li> </ul>	Ordinance 2199 will need to be reviewed once the City of Oakland has given to the Port its analysis of the effect of the City's Ord. 8979 on the Port's Personnel Rules and Procedures.
Port Tariff 2-A (Maritime tariffs)	<ul style="list-style-type: none"> <li>• <b>Ordinance 2833 (Port Tariff 2-A)</b> – Permits the Director of Maritime to approve space assignments.</li> </ul>	The revised bylaws will limit the term to not more than 1 year without Board approval.
Rules for Public Participation	<ul style="list-style-type: none"> <li>• <b>Ordinance 4127</b> – Ordinance 4127 establishes the Rules for Public</li> </ul>	These rules were first established in June 2010 to establish an appropriate level of safety, decorum

**BOARD MTG. DATE: May 23, 2013**

Port Rule	Summary	Comment/Recommendation
	Participation at Meetings of the Board of Port Commissioners and Standing Committees.	and efficiency in the Board Room. These rules seem to be working well, so the PAO does not have any suggested recommendations to these rules at this time.
<b>2. Port of Oakland Administrative Policies and Procedures</b>	Certain AP policies govern Board procedures and the manner of its exercise of its powers:	
Board Agenda Items	<ul style="list-style-type: none"> <li>• <b>AP 12</b> – Submission and Processing of Board Agenda Items – Sets forth process for submitting items to the Board.</li> </ul>	The PAO recommends that the Board, Board Secretary and PAO review the policy to determine whether updates are needed.
Unsolicited Proposals	<ul style="list-style-type: none"> <li>• <b>AP 15</b> – Unsolicited Proposals – Sets forth process and procedures for Commissioners and Port staff on addressing unsolicited proposals.</li> </ul>	AP 15 was adopted by the Board by Resolution No. 03030 on February 4, 2003.
Travel	<ul style="list-style-type: none"> <li>• <b>AP 406</b> - Travel Policy – Establishes approval process and limits for traveling on Port business.</li> </ul>	Pursuant to the proposed revised bylaws, the Board agrees to the spending limits and approval procedures set forth in the Travel Policy
Unit H Salary Administration	<ul style="list-style-type: none"> <li>• <b>AP 425</b> – Salary Administration and Executive Performance Program for Employees in Unit H – Sets forth process for performance appraisal and salary administration for Unit H, including direct reports to the Board.</li> </ul>	AP 425 has not been updated since January 9, 2001 and does not reflect subsequent resolutions and ordinances relating to Unit H. PAO staff recommends a review of AP 425 and a determination of whether it needs to be revised or deleted.
Recruitment of Senior Managers	<ul style="list-style-type: none"> <li>• <b>AP 427</b> – Recruitment and Selection of Senior Managers – Sets forth the policy for recruitment and selection of candidates for</li> </ul>	PAO staff recommends a review of AP 427 to determine whether it is followed, needs to be revised and/or is redundant with other policies, such as the Policy on Hiring of

**BOARD MTG. DATE: May 23, 2013**

<b>Port Rule</b>	<b>Summary</b>	<b>Comment/Recommendation</b>
	senior management positions at the Port.	Employees into Non-Civil Service Positions.
Hosting	<ul style="list-style-type: none"> <li>• <b>New AP 430</b> – Hosting Policy – Establishes approval process and limits for hosting of Port business partners.</li> </ul>	Pursuant to the proposed revised bylaws, the Board agrees to the spending limits and approval procedures set forth in the new hosting policy.
Noncollusion with Bidder	<ul style="list-style-type: none"> <li>• <b>AP 701</b> – Noncollusion with Bidder – Sets forth Port policy of noncollusion.</li> </ul>	The PAO recommends that AP 701 be revised to make clear to whom the policy applies. The terms “employees” and “officer of the Port” are used in the policy.
<b>3. Other Board Policies</b>	<ul style="list-style-type: none"> <li>• Policy on Hiring of Employees into Non-Civil Service Positions</li> </ul>	This policy was approved by the Board on September 15, 2011. It purported to be a new administrative policy, but is not currently listed in the Port’s administrative manual. This policy should be reviewed to determine if it is consistent with the proposed revised bylaws, if it is redundant with other policies and/or if it should be deleted or updated.

**BUDGET & FINANCIAL IMPACT**

None, however increases in staff efficiency and reduction in potential exposure to CEQA litigation are anticipated.

**STAFFING IMPACT**

None. Incremental additional staff time in conducting Environmental Review Hearings are anticipated to be more than offset by reduction in potential CEQA litigation.

**SUSTAINABILITY**

The Environmental Review Hearings proposed would provide greater opportunity for community involvement with and input into the environmental review process.

**ENVIRONMENTAL**

The California Environmental Quality Act (CEQA) Guidelines, Section 15061(b)(3) (“the general rule”) states that CEQA applies only to projects that have the potential for causing

**BOARD MTG. DATE: May 23, 2013**

a significant effect on the environment. No such effect is anticipated here, although the Port's environmental review process would be strengthened.

**MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The matters contained in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA).

**OWNER CONTROLLED INSURANCE PROGRAM (OCIP)**

The Owner Controlled Insurance Program (OCIP) does not apply to the actions proposed.

**GENERAL PLAN**

This action does not meet the definition of "project" under the City of Oakland General Plan, and no conformity determination is required.

**LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.

**OPTIONS/ Recommendation**

This agenda reports sets forth the amendments to the By-Laws to be adopted by Ordinance, with suggested alternative language for the appointment of certain department head and assistant executive positions.

**Attachment:** Ordinance with Proposed Bylaw Amendments attached thereto as Exhibit A.

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BOARD OF PORT COMMISSIONERS  
CITY OF OAKLAND

ORDINANCE ADOPTING AMENDMENTS TO BY-LAWS AND  
ADMINISTRATIVE RULES OF THE PORT OF BOARD OF PORT  
COMMISSIONERS.

WHEREAS the Board of Port Commissioners ("Board") has reviewed and evaluated the Agenda Report dated May 23, 2013 Item 5.2 ("Agenda Report") and related materials, has received the expert testimony of Port staff, and has provided opportunities for and taken public comment; and

BE IT ORDAINED by the Board of Port Commissioners of the City of Oakland as follows:

Section 1. The Board hereby approves the revisions and amendments to the By-Laws and Administrative Rules of the Board, as described in the Agenda Report to Item 5.2 of the May 23, 2013 meeting of the Board, which amendments and revisions are shown in Exhibit A to this Ordinance.

Section 2. Section 1.06 of Port Ordinance No. 867 is hereby amended to read as follows:

"Sec. 1.06. All appointments to positions in the Port Department of the City of Oakland shall be made by resolution of the Board of Port of Commissioners except as otherwise delegated and subject to the conditions set forth in the By-Laws and Administrative Rules of the Board of Port Commissioners."

Section 3. In acting upon the matters contained herein, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, findings and conditions set forth in the Agenda Report and in related materials and in testimony received.

Section 4. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance or any part thereof is for



any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid, or ineffective.

**Section 5.** The Board determines and finds that this Ordinance is exempt from the California Environmental Quality Act under section 15061(b)(3) because the adoption of amendments to By-Laws is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**Section 6.** This Ordinance shall take effect on immediately upon its final adoption by the Board pursuant to Article VII, Section 704 of the Charter of the City of Oakland.

DRAFT

\_\_\_\_\_  
**President.**

Attest \_\_\_\_\_

**Secretary.**

**Approved as to form and legality:**  
  
\_\_\_\_\_  
**Port Attorney**

Exhibit A to Ordinance

BY-LAWS AND ADMINISTRATIVE RULES

BOARD OF PORT COMMISSIONERS

~~(Revised October 19, 2012)~~

(Revised June 13, 2013)

ARTICLE I.

General Provision

Under the Charter of the City of Oakland ("Charter"), the Board of Port Commissioners ("Board") shall have the exclusive control and management of the Port Department. Subject only to the provisions of the Charter and applicable superior laws of the State of California or of the United States of America ("Law"), these By-Laws and Administrative Rules ("By-Laws") shall govern the organization of the Port Department, proceedings of the Board and the conduct of its business. The Board reserves to itself all of its Charter powers to carry out its duties and obligations unless any such power is expressly delegated as set forth in these By-laws.

ARTICLE II.

Members and Officers - Elections.

1. The Board ~~of Port Commissioners~~ ~~("Board")~~ shall consist of seven Commissioners, including ~~a~~ President, First Vice President, and Second Vice President. The Secretary, Executive Director, Port Attorney, Auditor, and such other officers as may be appointed by the Board, shall each report directly to the Board. ("Direct-Reporting Officers")

2. The President, First Vice President and Second Vice President shall be elected by the Board from among members of the Board at the first ~~meeting~~ held during the month of July in each year. At such meeting, the President shall call for nominations from

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the floor, including self-nominations, which shall be recorded in the order received, and which shall not require a second. Each Commissioner shall have the right to nominate one or more members of the Board for each of the three officer positions. Nominees shall be limited to those members of the Board who have indicated they would serve if elected. When nominations are completed, voting shall be conducted by voice vote on first the office of President, then the office of First Vice President, and then the office of Second Vice President. Voting on each nominee shall be conducted in the order of nominations received for each office. A vote of the majority of the members of the Board shall be required to elect an officer. After the election, a resolution declaring the election of the new officers shall be prepared. Passage of the resolution shall be the first order of business at the next meeting. The newly elected officers shall take office upon passage of the resolution and shall serve until their successors are elected by the Board.

ARTICLE II.

~~4. Closed sessions shall be held only during the formal portion of a regular meeting or a special meeting. Only those matters permitted by law shall be considered in a closed session. Prior to holding any closed session, the President shall disclose or call upon the Port Attorney to disclose in the open meeting the item or items to be discussed in closed session, by reference to the item or items as they are listed by number, letter or otherwise on the agenda. In the closed session, the Board may consider only those matters covered in the statement. After holding the closed session, the Port Attorney or Board Secretary shall disclose in open meeting, to the extent required by law, any final actions taken by the Board in closed session.~~

~~5. As to all other matters, including, but not limited to, adjournment of meetings, calling of special meetings or emergency meetings, giving of notice and holding of closed sessions, the provisions of Title 5, Division 2, Part 1, Chapter 9 of the Government Code of the State of California, relating to the meetings of legislative bodies of local public~~

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~~agencies, shall be and are hereby adopted and shall apply with respect to the meetings of this Board. In the event of any conflict between these By Laws and Administrative Rules and said provisions of the State law, the latter shall control and apply.~~

ARTICLE III.

Meetings.

1. Regular meetings shall be held in the Port of Oakland ("Port") Building, 530 Water Street, in the City of Oakland ("City"), unless the Board designates and notices another location pursuant to Article III, Section 3 hereof. The Board shall set a regular meeting schedule by resolution or motion which may be amended from time to time by the Board. The formal regular meeting, at which motions, resolutions or ordinances may be adopted and public hearings may be conducted, shall be held in the Board Room unless another location has been selected, and shall commence upon the Board Roll Call establishing a quorum of the Board in accordance with Article III, Section 2 hereof.

2. Four Board Commissioners shall constitute a quorum for the transaction of business, and four affirmative votes shall always be required to pass any ordinance, resolution or motion, or such other greater numbers of votes as are required by the Charter or other applicable Law.

3. Whenever a meeting of the Board shall be held at a place other than the Board Room, in addition to other applicable legal requirements, public notice of the place of such meeting and subjects to be discussed shall be posted in the public notice cabinet in the lobby of the Port of Oakland Building for a period prior to such meeting as required by Law.

4. The provisions of Title 5, Division 2, Part 1, Chapter 9 of the Government Code of the State of California ("Ralph M. Brown Act"), relating to the

Exhibit A to Ordinance

meetings of legislative bodies of local public agencies, including the conduct of closed sessions, shall apply with respect to the meetings of this Board. In the event of any conflict between these By-Laws and the Ralph M. Brown Act, the latter shall control and apply.

5. The order of business at meetings of the Board, including the placement of the closed session portion of meetings, shall be established by Board motion or resolution and shall be amended from time to time at the pleasure of the Board.

ARTICLE IV.

Proceedings of the Board.

1. All actions taken by the Board shall be by resolution, except when, pursuant to the provisions of the ~~City~~ Charter or ~~law~~Law, it is necessary to act by ordinance. The Board's adoption of a motion shall be the means by which the Board implements parliamentary procedure at meetings or instructs the ~~Executive Director,~~ Port Attorney, ~~Secretary, or Auditor~~staff, but in no event shall the adoption of a motion bind the Port on any matter, contractual or otherwise, with regard to any third party. All instructions to investigate, to draft any resolution, ordinance or to take any other action on behalf of the Board shall be made only to the relevant Direct-Reporting Officer and by way of a motion of the Board as a whole or of a committee of the Board with subject-matter jurisdiction duly constituted under these By-Laws.

2. To constitute an ordinance of the Board, an action shall comply with the requirements of an ordinance set forth in Article VII of the ~~City~~ Charter. Ordinances may be introduced and passed at regular or special meetings of the Board. To constitute a resolution of the Board, an action shall be evidenced by a document entitled "Resolution" and signed or initialed by the Port Attorney (which signature or initial may be in electronic form authorized by the Port Attorney).

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~~3. All contracts and other commitments made by the Board, including contracts and commitments with respect to any lease, development or use of any Port property, shall be made by resolution except when an ordinance is required by the City Charter or law, or except as otherwise provided by Port ordinance or these By-Laws and Administrative Rules. Except as expressly provided in the written agreement approved by resolution or ordinance of the Board, or in the resolution or ordinance itself, no agreement approved by the Board may be modified except in accordance with the written agreement, a resolution or an ordinance. The Port Attorney shall have direct control over processing of contract documents, including internal staff review and execution by third parties and the Port.~~

~~4.~~ A record of the vote on any ordinance, resolution or motion shall be made by "ayes", "noes" or "abstains" in the minutes of the Board. Any recusal of or by a member of the Board shall also be recorded, along with the stated cause or reason for the recusal.

54. The proceedings of the Board shall be carried on in such manner and with such dispatch as may be mutually agreeable to the members of the Board. Robert's Rules of Order shall normally be applied for the governing of any proceeding, and when applied no resolution or ordinance shall be considered or other action taken until the same has been duly moved, seconded and carried. All ordinances and resolutions passed by the vote of the members of the Board present at any meeting shall be deemed to have been moved, seconded and passed in due form, provided that no action of the Board shall be invalidated by reasons of noncompliance with Robert's Rules of Order.

~~6-5.~~ Except as otherwise may be required by the ~~City~~ Charter, ~~other applicable law~~Law or resolution or ordinance of the Board, whenever the Board has approved and authorized execution for and on behalf of the Board of any contract, agreement or lease, the Executive Director shall be authorized to

Exhibit A to Ordinance

execute, and the Secretary to attest, if necessary, the document for and on behalf of the Board subject to the approval of the Port Attorney as to form and legality.

6. No contracts or agreements, including any contract and agreement with respect to any lease, development or use of any Port property, shall be binding on the Board or the Port unless made by resolution, or by an ordinance when an ordinance is required by the Charter or Law, or unless otherwise provided by Port ordinance or these By-Laws. Except as expressly provided in the written agreement approved by resolution or ordinance of the Board, or in the resolution or ordinance itself, no agreement approved by the Board may be modified except in accordance with the written agreement, a resolution or an ordinance.

7. Approval of any building permit for building and construction on Port-owned property by a Port tenant (or subtenant) or by a licensed contractor for which the Executive Director recommends a determination of exemption from the California Environmental Quality Act ("CEQA") ~~will~~ may be presented for Board consideration and action ~~by~~ as part of a blanket resolution covering all such permits to be considered at that Board meeting and will not require presentation of an Agenda Report for the individual or collective permit items. Building permits for work included in a project ~~design~~ which has previously been given ~~conceptual~~ approval by resolution or ordinance of the Board may also be included in said blanket resolution without the presentation of a separate Agenda Report; provided the work is consistent with ~~the Board's previous~~ project design ~~approval~~.

~~8. Appointments of employees to Port positions implemented, as approved by the Executive Director, without Board ratification as provided in these By laws and Administrative Rules, and other delegated personnel actions taken by the Executive Director shall be reported to the Board on a quarterly basis by a report from the Executive Director, setting forth the effective date of each action taken, a~~

Exhibit A to Ordinance

~~description of the action, the names of personnel affected, additionally with respect to appointments, the classification title and salary rate assignment. The Secretary, Port Attorney, and Auditor may raise with the Board any concerns that arise regarding the Executive Director's failure to approve an appointment or promotion recommended by the Secretary, Port Attorney, or Auditor.~~

ARTICLE IV.

Committees.

1. The Board may at any time convene as a Committee of the Whole and may designate standing committees, and the President or Board may from time-to-time appoint such other ad hoc committees consistent with the Ralph M. Brown Act to assist in the transaction of the business of the Board.

2. Each committee shall be advisory to the Board. It shall investigate and formulate recommendations on matters referred to it by the President or by the Board. In the course of its investigation and formulation of recommendations to the Board, it shall consult with the Executive Director and, to the extent necessary, other Direct-Reporting Officers. Each committee shall meet from time-to-time, as its responsibilities require and upon the call of the committee's Chair. Each committee shall report to the Board at a regular or special meeting a summary of all matters considered and its findings and recommendations thereon.

ARTICLE V.

Order of Business.

~~1. The order of business at meetings of the Board (except work sessions) shall be established by Board motion or resolution, in accordance with all applicable open meeting laws, and shall be amended from time to time at the pleasure of the Board.~~



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ARTICLE VI.

President.

1. ~~The exclusive control and management of the Port Department is vested in the Board.~~ The President shall be the presiding officer of the Board, shall preside at all meetings of the Board, and shall have the right to vote on all questions. The President shall see that the laws of the City pertaining to the activities of the Port and the actions of the Board are faithfully executed, and shall exercise such other powers and perform such other duties consistent with the office of the Presidency as may be conferred upon the President by the Board, the City Charter or otherwise by ~~law~~Law.

2. The President may, subject to legal requirements, call meetings of the Board and shall call a meeting upon the written request of three ~~members.~~Commissioners. The President, in consultation with the Executive Director, may withdraw from consideration any item appearing on the Agenda.

3. In the absence of any Board member of a standing committee, if such a committee has been established, the President may designate another Commissioner to substitute for the absent member for that meeting.

4. The President shall sign all ordinances and such contracts, leases, contract drawings or plans and other documents required to be signed for and in the name of the Board unless otherwise provided for in these By-Laws ~~and Administrative Rules~~, resolution or ordinance of the Board.

ARTICLE VII.

Vice President and Second Vice President.

The First Vice President shall, in case of the absence or disability of the President, act in the President's place and stead and perform the duties of

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such office. In case of the absence or disability of both the President and First Vice President, the Second Vice President shall act in the place and stead of the President or Vice President.

ARTICLE VIII.

Secretary.

1. The Board shall appoint the Secretary of the Board by resolution. The Secretary shall personally, or through the assistant secretary, attend all meetings of the Board and keep a true and correct record of all of its proceedings and the minutes of all meetings, which minutes shall include the number and title of all resolutions passed by the Board and a record of the vote thereon. The minutes shall also include the title of all ordinances passed by the Board, the number of the ordinance at the time of its final adoption and a record of the vote thereon upon its passage to print and final adoption. Original copies of minutes, bearing the signature of the Secretary and approval stamp of the Board, shall, following approval, be bound and kept in permanent volumes entitled "Minute Book." Copies of such approved minutes shall also be made and kept in an electronic format available to the public.

2. The Secretary shall keep intact the original copy of, and index to, all ordinances adopted by the Board. The original copy of all ordinances shall contain a record of the vote or other action of the members of the Board and shall be signed by the President and be attested by the Secretary and bear the approval of the Port Attorney as to form and legality. The Secretary shall also cause a permanent record to be kept electronically of each ordinance. All ordinances shall be numbered in numerical order, and at all times be open to public inspection. Following the adoption of any ordinance, the Secretary shall duly certify and file a true copy thereof with the City Clerk ~~of the City of Oakland~~ on a bi-annual basis.

Exhibit A to Ordinance

3. The Secretary shall also keep intact the original copy of all resolutions of the Board, with a record thereon of the vote or other action, and when convenient shall bind such documents into permanent records in books and entitled "Port Resolutions." The Secretary shall also cause a permanent record to be kept electronically of each resolution. All resolutions shall be numbered in numerical order.

4. The Secretary shall, whenever required, prepare copies of any ordinance or resolution, with the Secretary's certificate annexed thereto, stating that the same is a true copy duly and regularly passed by the Board on the date specified, and that the same was published and passed in the time, form and manner required by law, and shall furnish such other certificates for and on behalf of the Board as may be required.

5. The Secretary shall be the custodian of the official seal of the Port, and of all reports, books, papers, contracts, deeds, leases and other documents and records of the Board.

6. The Secretary shall, in the Secretary's official capacity, sign or attest such documents and official papers relating to the Port, and affix the official seal thereto, when and as may be directed by the Board, and perform such other duties as may be assigned to the Secretary by the Board or be required by law.

7. The Secretary shall perform such other services and assume such other responsibilities and duties as the Board may require, ~~and shall assist the Executive Director in carrying out the duties of the Executive Director's office.~~

8. ~~Subject to the terms of applicable Port policies and the City Charter, one or more assistant secretaries may be appointed to assist in the performance of duties of the Secretary, provided, however, that the existing at will nature of the employment relationship between the Port and such~~

Exhibit A to Ordinance

~~employees may not be altered. In connection therewith, the Secretary shall:~~ The Secretary shall log and track all requests received by the Port under the California Public Records Act.

~~a.~~

9. Subject to Article XII of these By-Laws, the Secretary shall have the authority to appoint one or more assistant secretaries to assist in the performance of duties of the Secretary and may designate and instruct any such assistant to act or perform the duties of the Secretary in case of the Secretary's absence or disability. The Secretary shall prescribe and supervise the duties of and have the authority to assign, evaluate, reassign, release and discipline (including, but not limited to, suspension, dismissal, termination) any such employees;

~~b. prescribe the duties of and be responsible for the performance by an assistant secretary;~~

~~c. increase and/or advance salaries within existing grade or schedules, including provision for premium pay of staff in the Secretary's office and grant salary increases under incentive pay programs established~~ appointed by the Board; and Secretary.

~~d. initiate and process the completion of desk audits and take such actions consistent with the powers delegated to the Secretary, or to recommend actions to the Board to the extent such powers have not been so delegated to the Secretary, to effect salary adjustments as deemed appropriate by the Secretary or Board as the case may be.~~

10. The Secretary shall provide assistance to other Direct-Reporting Officers and their designees in order to enhance the effectiveness, efficiency and economy of Port operations consistent with Board policies and direction.

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ARTICLE IX

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Executive Director.

1. The Board shall appoint the Executive Director by resolution. The Executive Director shall be the chief executive and administrative officer of the Port and is the Executive Director employed and appointed in accordance with Section 706(21) of the ~~City Charter~~. The Executive Director shall be in charge of the Board's business and properties and shall be responsible for their efficient and economical administration. The Executive Director shall, as directed by the Board, carry out its policies and projects. ~~The~~

2. Except for appointments reserved to the Board or delegated to another Direct-Reporting Officer, the Executive Director, shall, for and on behalf of the Board, and subject to the provisions of Article IX of the City Charter, Port Ordinance No. 2199, as hereafter amended from time to time, and such other limitations as may be placed from time to time by the Board, XII of these By-Laws, shall have the power and it shall be his/her duty+

~~a. with respect to civil service employ and appoint such other officers, employees, to prescribe and supervise the duties of and appoint, including redesignate, promote, assign, reassign and discipline civil service employees to or from existing Port positions, agents as may be necessary for the administration of the affairs of the Board,~~

~~b. with respect to all non-civil service employees below Division Director level, to review and approve appointments in accordance with applicable Port policies regarding appointment of employees into non-civil service positions. In addition, with respect to non-civil service employees other than those reporting to the Port Attorney, Secretary or Auditor, to do or perform the duties set forth below as necessary for the administration of the affairs of the Board, except to alter the existing at-will nature of the employment relationship between the Port and such employees, including to+the efficient and economical carrying out of Port functions. The Executive Director shall~~

Exhibit A to Ordinance

prescribe and fix the duties, authority and compensation of and have the authority to assign, evaluate, reassign, release and discipline (including, but not limited to, suspension, dismissal, termination) any such employees appointed by the Executive Director.

~~(1) prescribe and supervise the duties of and assign, reassign, and discipline any such employee;~~

~~(2) fill positions, including promote or redesignate persons to positions as have been duly created or reclassified by the Board, as the case may be, subject to prior approval by the Board of the staffing plan and budget providing for said positions, and provided, further, that the Executive Director, in exercising said powers, shall comply with applicable Port policies regarding the appointment of employees into non-civil service positions;~~

~~e. to increase and/or advance salaries within existing grades or schedules, including provision for premium pay of an employee's classification, and grant salary increases under incentive pay programs established by the Board;~~

~~d. to initiate and process the completion of desk audits and, subject to applicable Port policies, to take such actions consistent with the powers delegated to the Executive Director, or to recommend actions to the Board to the extent such powers have not been so delegated to the Executive Director, to effect classification and/or salary adjustments as deemed appropriate by the Executive Director or Board as the case may be; and~~

~~e. to report to the Board on all appointments and terminations on a quarterly basis.~~

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3. The Executive Director shall prepare, or cause to be prepared, estimates, plans, specifications and drawings required for the Board,

Exhibit A to Ordinance

and act as purchasing agent for all the divisions of the Port.

~~3~~4. The Executive Director shall enforce all resolutions ~~and~~ ordinances adopted by the Board relative to regulations, operation and control of the "Port Area," and the operation and management of the Port and its facilities.

~~4~~5. The Executive Director shall supervise and manage the construction and maintenance work authorized or ordered by the Board.

~~5. The Executive Director or his designee shall have the authority to designate and assign space in the Port Maritime or seaport area for temporary occupancy and use of: (a) berths, or landings for the use of vessels at any pier or wharf; (b) warehouses or other like facilities; (c) lots for parking or operation of other ancillary maritime support services; provided that such designation or assignment shall be (1) at the rates or charges for the use of such facilities duly established by the Board, (2) subject to Maritime tariffs, rules and regulations governing the same, (3) cancelable or revocable upon 30 days notice, (4) exempt from CEQA or appropriately analyzed under CEQA, and (5) made with~~6. The Executive Director or his/her designee shall have and is hereby granted the delegated authority to enter into the below listed types of short-term leases, license and concession agreements, space/use permits or grants of the right of entry for use, or occupancy of Port property ("Short-Term Rental Agreements") for the use of Port property; provided that (a) the permitted use is consistent with the public trust and all applicable Laws, (b) the use is exempt from CEQA, and (c) the Short-Term Rental Agreement is made in writing and in a form approved by the Port Attorney.

~~6. The Executive Director or his designee shall have the authority to designate and assign space in the Port Aviation or the Metropolitan Oakland International Airport ("Airport") area for temporary occupancy and use of: ( a)aircraft hangar bay; (b) warehouses or other like facilities; (c) lots for~~

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~~parking or operations of other aviation support or ground handling services, including apron parking; and (d) space within buildings for concession storage, incidental use for office functions or governmental functions; provided that such designation or assignment shall be (1) at the rates or charges for the use of such facilities duly established by the Board, (2) subject to tariffs, rules and regulations or airline rates and charges governing the same, (3) cancelable or revocable upon 30 days notice, (4) exempt from CEQA or appropriately analyzed under CEQA, and (5) made with a form approved by the Port Attorney.~~ Rental Agreements that are cancelable or revocable upon 30-days notice, with a rental period not longer than one (1) year (aggregated by including all hold-overs, extensions or renewal), and subject to the tariffs, rates, charges or target rents duly established by the Board for such use, and;

~~7. The Executive Director or his designee shall have the authority to designate and assign space in the Port Commercial Real Estate area for temporary occupancy and use of: (a) unimproved land for temporary use, staging or parking; (    b) warehouses or other like facilities; (c) lots for parking or operations of other commercial real estate maintenance services; and (d) space within buildings for storage, incidental use for office functions or governmental functions; provided that such designation or assignment shall be (1) at the rates or charges for the use of such facilities duly established by the Board, (2) subject to tariffs, rules and regulations governing the same, (3) cancelable or revocable upon 30 days notice, (4) exempt from CEQA or appropriately analyzed under CEQA, and (5) made with a form approved by the Port Attorney.~~

~~8. Unless otherwise provided for in these By-Laws and Administrative Rules, the Board shall approve any lease, license and concession agreement, space/use permit or grant of the right of entry or occupancy of Port property ("Rental Agreement"). However, with respect to any Rental Agreement for the temporary use, entry or occupancy for a period not to exceed one year ("Temporary Rental"), the Executive~~



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~~Director shall have the following authority for approval and execution of the Temporary Rental pursuant to the following procedures and limitations:~~

~~a. The Executive Director or his designee will annually submit to the Board, in closed session convened pursuant to Section 54956.8 of the Government Code, (i) a listing of potential Port properties which are available for Temporary Rentals and (ii) the proposed rental charges for each type or class of properties available for Temporary Rentals where duly adopted rates and charges or Tariffs do not apply. At the closed session meeting in which the said rental recommendations are considered, the Board will instruct the Executive Director with respect to the rates and terms to be negotiated with existing or prospective lessee, licensee or permittee of any Temporary Rentals ("Target Rental Rates") for which there are no currently applicable rates and charges or tariff rates. The said listing of properties with an identification of existing or prospective lessees, licensees or permittees, where available, and without Target Rental Rates will be made available to the public as part of the Board agenda;~~

~~b. With respect to Port properties located at the Aviation or Airport area of the Port, the Director of Aviation, as a designee of the Executive Director, shall have the authority to enter into any Rental Agreement for Temporary Rental in a form approved by the Port Attorney provided that (i) the rental rate shall be no less than the currently applicable rates and charges or tariff rates or, if there is no currently applicable rates and charges or tariff rate, no less than ninety percent (90%) of the Target Rental Rates and (ii) the Temporary Rental is exempt from the CEQA or an appropriate CEQA analysis has been duly performed and adopted;~~

~~c. With respect to Port properties located in the Maritime or seaport area of the Port, the Director of Maritime, as a designee of the Executive Director, shall have the authority to enter into any Rental Agreement for Temporary Rental in a form approved by the Port Attorney provided that (i)~~

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~~the rental rate shall be no less than the currently applicable rates and charges or tariff rates or, if there is no currently applicable rates and charges or tariff rate, no less than ninety percent (90%) of the Target Rental Rates and (ii) the Temporary Rental is exempt from the CEQA or an appropriate CEQA analysis has been duly performed and adopted;~~

~~d. With respect to Port properties located in the Commercial Real Estate area of the Port, the Director of Commercial Real Estate, as a designee of the Executive Director, shall have the authority to enter into any Rental Agreement for Temporary Rental in a form approved by the Port Attorney provided that (i) the rental rate shall be no less than the currently applicable rates and charges or tariff rates or, if there is no currently applicable rates and charges or tariff rate, no less than ninety percent (90%) of the Target Rental Rates and (ii) the Temporary Rental is exempt from the CEQA or an appropriate CEQA analysis has been duly performed and adopted;~~

~~e. With respect to any Rental Agreement for Temporary Rental for entering or use of Port properties. Short-Term Rental Agreements with a rental period of not longer than a one (1) year term (aggregated by including all hold-overs, extensions or renewals) for the purposes of (i) performing temporary construction by a contractor, (ii) installing utility lines or equipment by a third party utility or governmental agency, (iii) installing and implementing environmental testing, monitoring or data collection, (iv) environmental or toxic material remediation, clean up or monitoring, or (v) ~~continuous activities lasting no more than 180 days (including all hold-overs, extensions, and renewals) or recurring but non-continuous activities lasting up to a maximum of one year, or~~ (vi) other similar temporary occupancy and use necessary for utility service or compliance with regulatory, health and safety standards, ~~the Executive Director or his designee shall have the authority to enter into any such Rental Agreement for Temporary Rental in a form approved by the Port Attorney provided that the Temporary Rental is exempt from the~~~~

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~~CEQA or an appropriate CEQA analysis has been duly performed and adopted;~~

~~f. With respect to any Rental Agreement for Temporary Rental for a rental rate less than the currently applicable rates and charges or tariff rates or, if there is no currently applicable rates and charges or tariff rate, ninety percent (90%) of the Target Rental Rate, the Executive Director or his or her designee may enter into such Rental Agreement subject to subsequent ratification by the Board within ninety (90) days of the execution of the Rental Agreement. All such Rental Agreements shall provide that the Rental Agreement is subject to ratification by the Board and provided that Such Rental Agreements shall be subject to the tariffs, rates, charges or target rents duly established by the Board for such use except where the Executive Director has determined that it shall terminate at the end of one hundred and twenty (120) days after the execution date of the Rental Agreement if the Board fails to ratify the Agreement within ninety (90) days of the execution date; and is in the benefit of the Port to charge a lesser amount and has determined that such lesser amount is reasonable in light of the proposed benefit to the Port; and,~~

~~g. No Rental Agreement for Temporary Rental under this Article IX, Section 8 may be for a term of longer than one year and no such Rental Agreement or Rental Agreements may be renewed or extended (including on a "month to month" basis) so that the total aggregated period of entry, use or occupancy by the contractor, permittee, lessee, concessionaire or tenant under such Rental Agreement(s) is longer than one year, except by resolution or ordinance of the Board.~~ Rental Agreements for continuous use activities lasting no more than one hundred eighty (180) days (aggregated by including all hold-overs, extensions, and renewals) or recurring but non-continuous use activities aggregating up to a maximum of one year, provided that Such Rental Agreements shall be subject to the tariffs, rates, charges or target rents duly established by the Board for such use except where the

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Executive Director has determined that it is in the benefit of the Port to charge a lesser amount and has determined that such lesser amount is reasonable in light of the proposed benefit to the Port.

~~9~~7. The Executive Director shall, without the approval of the Board, have authority to make purchases of material, supplies and services needed in the management and operation of the Board affairs and to let contracts pursuant to and subject to the limitations of Port Ordinance 1606 as amended or any successor ordinance of the Board.

~~10~~8. The Executive Director shall, subject to ratification by the Board, have authority to act in cases of extreme emergency requiring immediate action on the Executive Director's part, to grant permits or let contracts essential to alleviating the conditions creating the emergency.

~~11~~9. The Executive Director may from time-to-time, render such reports, estimates or recommendations to the Board as the Executive Director may deem necessary or convenient for the proper dispatch of the business of the Port, or the furtherance of its welfare.

~~12~~10. The Executive Director shall draw checks upon the revolving and petty funds of the Port in payment of transient laborers and other incidental expenses in the manner prescribed by ~~Port~~ ordinance, and shall sign as Executive Director purchasing orders, contracts, rental and other agreements, warehouse receipts, maps and drawings, and other documents pertaining to the business of the Port when so directed by the Board, or when required in the prompt dispatch of the business of the Port.

~~13~~11. The Executive Director shall prepare each month a report of the business and progress of the Port and file the same with the Board. Copies thereof shall be mailed to such ~~city~~City officials, shippers and other persons, as may be designated by the Board.

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~~14~~12. The Executive Director shall have the authority to issue, from time-to-time, Administrative Policies and Procedures governing the conduct of the affairs of the Port Department, provided that the Administrative Policies and Procedures are consistent with these By-Laws—and ~~Administrative Rules~~, the ~~City~~ Charter, and applicable ~~law~~Law.

~~15~~13. The Executive Director shall personally, or through the assistant or deputy Executive Director, attend all meetings of the Board and represent the Port in all official matters, unless otherwise provided for by the Board, provisions of these By-Laws ~~and Administrative Rules~~ or by law.

~~16~~14. The Executive Director shall perform such other services, and assume such other responsibilities and duties as the Board may require from time-to-time.

~~17~~15. The Executive Director shall have and is hereby delegated the authority to approve for and on behalf of this Board subleases or subassignments of all or portions of Port ~~premises~~property under Port leases, license and concession agreements or other Port occupancy agreements which require the prior written consent of the Port to any such sublease or subassignment, and the Executive Director's approval in each such instance shall be deemed by this Board to have the same force and effect as an approval of such sublease or subassignment by resolution of this Board.

~~18~~16. Except as otherwise may be required by the ~~City~~ Charter, other applicable ~~law~~Law or resolution or ordinance of the Board, the Executive Director shall be and he or she is hereby authorized to negotiate and execute for and on behalf of the Board, indemnification agreements regarding removal of underground petroleum tanks with Port tenants; provided, however, that each of said agreements shall be upon a form prepared and approved by the Port Attorney and shall not be effective unless and until signed by the Port Attorney.

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~~19~~17. In case of the absence or disability of the Executive Director or to the extent directed to do so by the Executive Director, the Deputyassistant or deputy Executive Director shall perform the necessary duties of the Executive Director.

~~20. To the extent directed to do so by the Executive Director (or by the Board in the case of the absence or disability of both the Executive Director and the Deputy Executive Director), any of the Director of Aviation, the Director of Maritime, the Director of Commercial Real Estate, the Director of Engineering, the Chief Financial Officer, the Director of Corporate Administrative Services, the Director of Environmental Programs and Planning, or the Director of Social Responsibility ("Division Directors") shall be empowered to perform necessary duties of the Executive.~~

~~21~~ 18. For the purpose of continued operation of the Port during the Executive Director's absence, disability or for the more efficient operation of the Port, the Executive Director may designate in writing one or more Deputyassistant or deputy Executive Directors or Division Directors to act pursuant to his or her authority to the extent so specified in writing. When the Executive Director is unable to so designate in writing in his or her absence or disability, the Board may designate by resolution one or more Deputyassistant or deputy Executive Directors or Division Directors to act with the authority of the Executive Director to the extent so specified by resolution.

~~22~~19. The Executive Director and his or her designee shall have the authority to sign, execute, or otherwise approve on behalf of the ~~Executive Director~~Board documents required by, or responsive to, general storm water regulations or permits; and such general or individual permit as may be issued for municipal separate storm sewer systems, as such regulations or permits may be amended, modified or reissued from time-to-time.

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~~23-20.~~ On behalf of the Board, the Executive Director, and/or his or her designee, shall have ~~and~~ the authority to certify Environmental Impact Reports and to approve Mitigated Negative Declarations and Negative Declarations, under CEQA, and to approve Resolutions to Proceed committing the Port to definite courses of action with respect to ~~Port~~ projects for which the Port is the lead agency subject to such levels of environmental review. Consideration of such environmental review documents and issuance of Resolutions to Proceed shall be conducted at noticed public Environmental Review Hearings chaired by the Executive Director and/or his or her designee(s) who shall be referred to in such context as Permit Hearing Officers. No Environmental Review Hearing shall be conducted without prior notice to, and approval by, the Board. The Permit Hearing Officer(s) shall take expert testimony (including that of Port staff) and public testimony, consider the issues and concerns presented by the public, and consider the environmental review documents before them based on substantial evidence in the record, including an Environmental Review Hearing Agenda Report from Port staff. Any decision to issue or not issue a Resolution to Proceed shall be announced in a Notice of Decision. Absent an administrative appeal, the decision announced in the Notice of Decision shall become final fifteen (15) days after issuance of the Notice of Decision. Any person excepting to such decision may appeal such decision to the Board by filing a written notice of appeal directed to the Secretary of the Board. The written notice shall set forth the specific grounds of the appeal and the appellant shall pay the associated administrative appeal fee ~~of \$750.00, as it may be adjusted by the Executive Director, from time to time.~~ Such administrative appeal shall be filed within fourteen (14) days after issuance of the Notice of Decision. Any failure to timely file an administrative appeal shall be a complete bar to judicial review. Review by the Board of any administrative appeal filed shall be limited to those issues specifically raised in the administrative appeal. The decision by the Board to affirm or to overturn the decision of the Permit

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Hearing Officer(s) shall be final. Judicial review of the final decision of the Board shall be limited to those issues raised on administrative appeal.

~~24-~~ 21. The Executive Director shall have the authority and, subject to the written approval of the Port Attorney as to the form and legality of the delegation, may delegate to one or more Port employees the authority, to sign and accept on behalf of the Board regulatory permits and approvals, including the conditions and other requirements contained in such permits and approvals, which are routine, standard and/or ministerial in nature, and which are approved in writing as to form and legality by the Port Attorney, including the following:

a. Routine, standard and/or ministerial permits or approvals, such as a permit issued by the San Francisco Bay Conservation and Development Commission or the United States Army Corps of Engineers for maintenance dredging or for repair of existing structures, including the routine, standard and/or ministerial conditions and other requirements included in such permits or approvals;

b. Routine, standard and/or ministerial permits or approvals which a federal, state or other public governing commission, board or instrumentality has by regulation authorized be issued administratively by its appointed executive director, executive office or other comparable or lower-level staff, including the routine, standard and/or ministerial conditions and other requirements included in such permits or approvals;

c. Ministerial permits and approvals, such as a City building permit, including the routine, standard and/or ministerial conditions and other requirements included in such permits and approvals; and

d. Other routine, standard and/or ministerial permits or approvals, including the conditions of approval, payment of permitting and



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oversight fees (including execution of oversight fee agreements with regulatory agencies), and other requirements included in such permits and approvals, the acceptance of which on behalf of the Board will not, in the reasonable determination of the Executive Director or his or her said designee, ~~will not~~ obligate the Port to the expenditure of more than the expenditure contemplated in the approved budget for the project.

~~25-22.~~ 22. The Executive Director shall have the authority to execute, subject to the written approval of the Port Attorney as to form and legality, all covenants to restrict use of property or similar deed restrictions with environmental regulatory agencies concerning Port property.

23. The Executive Director shall have the authority to file grant applications and accept grant funding awards, subject to the written approval of the Port Attorney as to form and legality, so long as such application and acceptance does not commit the Port to a definite course of action beyond any course of action already approved by the Board.

24. The Executive Director shall provide assistance to other Direct-Reporting Officers and their designees in order to enhance the effectiveness, efficiency and economy of Port operations consistent with Board policies and direction.

ARTICLE X.

Port Attorney.

1. The Board shall appoint the Port Attorney by resolution. The Port Attorney shall be the attorney and legal advisor of the Board. The Port Attorney shall give legal advice to the Board, its officers and employees on official matters within its jurisdiction consistent with Board directions and policies, and shall be in charge of the legal affairs of the Port and have custody and supervision of the

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law files, books, records, briefs, and other papers of the Port Attorney's office.

~~Appointments of attorneys and other staff positions in the Port Attorney's office shall be made pursuant to Port policy regarding appointments to civil service and non-civil service positions, as applicable. The Port Attorney shall be responsible for the performance of the duties of attorneys and other staff positions in the Port Attorney's office, provided, however, that the Port Attorney may not alter the existing nature of the employment relationship between the Port and such employees, including the at will nature of attorneys in the Port Attorney's office. In connection therewith, the Port Attorney shall:~~

~~a. prescribe and supervise the duties of and assign, reassign, and discipline any such employees;~~

~~b. prescribe the duties of and be responsible for the performance by the Assistant Port Attorney and other attorneys;~~

~~c. increase and/or advance salaries within existing grade or schedules, including provision for premium pay of staff in the Port Attorney's office and grant salary increases under incentive pay programs established by the Board;~~

~~d. initiate and process the completion of desk audits and take such actions consistent with applicable Port policy and the powers delegated to the Port Attorney, or to recommend actions to the Board to the extent such powers have not been so delegated to the Port Attorney, to effect salary adjustments as deemed appropriate by the Port Attorney or Board as the case may be; and~~

~~e. make recommendations directly to the Board regarding compensation of the Port Attorney.~~

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2. The Port Attorney shall defend, and (subject to direction from the Board) prosecute or compromise all actions at law or in equity and special proceedings for or against the City or Board, or any officers or employees for actions within their scope of employment, pertaining to matters within the jurisdiction of the Board.

3. The Port Attorney shall keep on file or electronically in the Port Attorney's office all written opinions given by the Port Attorney to the Board or otherwise in the Port Attorney's official capacity, the briefs, pleadings and transcripts used in cases where the Port Attorney appears.

4. The Port Attorney shall, without undue delay, pass upon the form and legality of contracts, ordinances, resolutions, and other documents and proceedings of the Port, when required by law or directed by the Board, and shall prepare the forms of contracts, ordinances, resolutions and other documents to be acted upon by the Board.

5. The Port Attorney shall personally, or through ~~the assistant~~ Port ~~Attorney's~~ ~~assistants~~ Attorneys, (a) attend the meetings of the Board, (b) be regularly available to consult with committees of the Board, if any, (c) attend meetings, of and consult with, the Executive ~~Director's senior staff and coordinating committees, if any~~ Director, (d) unless otherwise directed by the Board, be provided copies of all agendas, reports, minutes and other correspondence to be used for discussion, consideration or action at a meeting of the Board, (e) upon request, provide legal services on official matters within the Board's jurisdiction to the Executive Director and Port staff, and (f) subject to the other provisions of these By-Laws ~~and Administrative Rules,~~ keep the Executive Director advised on all legal matters. Consistent with the Port Attorney's responsibility as attorney and legal advisor to the Board, the Port Attorney shall, in the performance of the Port Attorney's duties, (i) administer the office of the Port Attorney subject to review and direction by the Board, (ii) at all times

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carry out and implement the policies established by the Board and by Law, and (iii) render such services as may be required of the Port Attorney by the Board and ~~the Executive Director, or which may be consistent with the Port Attorney's office.~~ by the Executive Director to carry out the policies and directions of the Board. The Port Attorney shall accept appointments to committees or other assignments of or related to associations of which the Port is a member or with which it is affiliated only after approval by the ~~Executive Director and the Board, provided, however, that the Board may grant such approval irrespective of disapproval by the Executive Director.~~ ~~The Port Attorney, Executive Director and other officers of the Port shall cooperate so that the Port Attorney may provide effective, timely and cost effective services to the Port, and to that end the Port Attorney shall establish programs within the office of the Port Attorney to ensure the provision of such services.~~

6. The Port Attorney shall regularly report to the Board orally or in writing on all matters of a legal nature affecting operations of the Port, together with the Port Attorney's opinion as to the origin or cause, present status and future disposition of the matter, including claims or actions against the Port and the Port Attorney's recommendations with respect to actions of a legal nature which in the Port Attorney's judgment the Board should initiate.

7. The Port Attorney shall have blanket authority to file suit, ~~to prosecute to judgment, and to settle civil and criminal actions in law, in equity, or in special proceedings~~ ~~where the principal amount in dispute is \$25,000 or less.~~ Where the principal amount exceeds such amount, the Port Attorney shall obtain Board approval by motion or resolution prior to filing or settling such an action. Where urgency requires immediate filing and prosecution, the Port Attorney shall seek Board ratification by motion or resolution after filing of suit.

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8. The Port Attorney shall have the sole and blanket authority to retain special legal counsel in accordance with the provisions of Section 6.05 of Port Ordinance 867 and subject only to the contract amount limitations of the Executive Director's delegated authority to enter into professional services contract under Board Ordinance 1606, as it may be amended from time to time.

9. The Port Attorney shall have blanket authority to defend the Board against actions in law and/or in equity and special proceedings and to retain special counsel in accordance with the provisions of Section 6.05 of Port Ordinance 867 and subject only to the contract amount limitations of the Executive Director's delegated authority to enter into professional services contract under Board Ordinance 1606, as it may be amended from time to time. The Port Attorney shall have blanket authority to settle actions brought against the Port where the settlement amount to be paid by the Port is \$25,000 or less. Where the settlement amount exceeds such amount, the Port Attorney shall obtain Board approval by motion or resolution prior to settling such an action.

10. The Port Attorney shall have blanket authority to enter into agreements for collection services with respect to delinquent accounts in the sum of \$150,000 or less and to direct the filing of suit by any such agency in conjunction with the provision of such collection services, provided, however, that compensation for such services shall be on a contingent fee basis, not to exceed 45% of funds actually collected from each respective account placed with any such agency.

11. The Port Attorney shall have blanket authority to enter into tolling agreements, for and on behalf of the Board ~~—with countersigning third parties,~~ that preserve all substantive and procedural rights and all claims, obligations, causes of action and defenses including, without limitation, defenses based on statutes of limitation that the Board ~~—and the countersigning third parties~~ party(ies) possess as of the effective date of the agreements.

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12. The Port Attorney shall have blanket authority to enter into joint or mutual interest confidentiality agreements, for and on behalf of the Board with countersigning third parties to enable the sharing of information, communications and materials that may otherwise be subject to a claim of proprietary confidentiality, attorney-client privilege or work product protection, without waiving any applicable confidentiality or privilege the Board possess with respect to such information, communications and materials when the Port Attorney determines that it is in the Port's interest to share such information, communications and materials with the countersigning third parties or their attorneys.

13. Subject to Article XII of these By-Laws, the Port Attorney shall have the authority to appoint one or more assistant port attorney(s), deputy port attorney(s), legal assistant(s) and legal secretary(ies) to assist in the performance of duties of the Port Attorney and may designate and instruct any such assistant to act or perform the duties of the Port Attorney in case of the Port Attorney's absence or disability. The Port Attorney shall prescribe and supervise the duties of and have the authority to assign, evaluate, reassign, release and discipline (including, but not limited to, suspension, dismissal, termination) any such employees appointed by the Port Attorney.

14. The Port Attorney shall provide assistance to other Direct-Reporting Officers and their designees in order to enhance the effectiveness, efficiency and economy of Port operations consistent with Board policies and direction.

ARTICLE XI.

Auditor

1. The Board shall appoint the Auditor by resolution.

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~~2.~~ 2. The Auditor shall conduct surveys, reviews, and audits as the Auditor deems to be in the best interest of the Board and the public, subject to direction and approval by the Board, or as directed by the Board. For these purposes, the Auditor's surveys, reviews and audits may include, but not be limited to:

a. Reviewing and appraising the effectiveness, adequacy and application of accounting, functional, and operating controls and reliability and timeliness of accounting and other data generated within the Port organization;

b. Evaluating the Port's internal controls to ensure that the Port's assets and resources are adequately safeguarded from fraud, waste, and mismanagement;

c. Ascertaining compliance with the Board's resolutions and policies and the Executive Director's instructions and directives, as well as applicable State and Federal laws and regulations;

d. Providing assistance to Port staff to enhance the effectiveness, efficiency and economy of their operations;

e. Responding to requests for audit and reviews;

f. Reporting to the Board as appropriate or as directed by the Board, as part of a deliberative process, on recommendations for corrective actions ~~made in the Auditor's reports; and~~ or for taking action to adopt new policies.

~~3.~~ 2. The Auditor shall conduct any other audits and report to the Board, as directed by the Board.

3. Subject to Article XII of these By-Laws, the Auditor shall have the authority to appoint one or more assistant auditors and senior and other staff auditors to assist in the performance of duties of the auditor and may designate and instruct any such

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assistant to act or perform the duties of the Auditor in case of the Auditor's absence or disability. The Auditor shall prescribe and supervise the duties of and have the authority to assign, evaluate, reassign, release and discipline (including, but not limited to, suspension, dismissal, termination) any such employees appointed by the Auditor.

4. The Auditor shall consult the Port Attorney relating to any questions of law that may arise in an audit's findings or recommendations; provided that the Port Attorney has no conflict of interest in the audit's findings or recommendations and provided that the content of any audit, audit findings or audit recommendations shall remain within the professional discretion and reflect the professional opinion of the Auditor.

5. The Auditor shall provide assistance to other Direct-Reporting Officers and their designees in order to enhance the effectiveness, efficiency and economy of Port operations consistent with Board policies and direction.

ARTICLE XII

Authorities and Organization

1. The proceedings for and the delegations of the powers or duties of the Board shall be set forth in these By-Laws, except that the delegations of powers or duties for specific transactions or for purchasing of goods and services may be provided for in specific resolutions and ordinances.

2. The Board reserves to itself the power and duty to appoint and hire the Direct-Reporting Officers, which shall include the Executive Director, the Port Attorney, the Secretary and the Auditor, and to prescribe and fix their duties, authority and compensation, and to release or discipline (including, but not limited to, suspension, dismissal, and termination) such Direct-Reporting Officers. Each Direct-Reporting Officer shall be directly answerable to the Board as a whole, and the Board shall provide



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all Board directions and inquiries regarding operations, policy or performance to the appropriate Direct-Reporting Officer.

3. The Executive Director may issue Administrative Policies and Procedures which shall be consistent with these By-Laws, applicable Board policies, the Charter and all Laws. The Board hereby binds itself to such Administrative Policies and Procedures to the extent necessary to: (a) comply with applicable Laws, including but not limited to, the Ralph M. Brown Act, the Political Reform Act (and other Laws governing ethics of public officials), the Public Records Act, and state and federal civil rights, employment and non-discrimination Laws; (b) conform to the spending limits and approval procedures for travel and hosting expenditures; and (c) conform to accounting and records-keeping requirements for reimbursement of actual Board expenses necessary to carry out the business of the Board.

4. The President of the Board shall exercise the approval authority for any necessary pre-approval of travel or hosting expenditures by a Direct-Reporting Officer or a Board Commissioner (and the First Vice President in the case of approval for the President) pursuant to Administrative Policies and Procedures governing travel and hosting expenditures; provided however, that the Board may, by motion of the Board, override the approval or disapproval by the President (or the First Vice-President in the case of expenditures or expenses of the President). The Chief Financial Officer (or such successor officer) shall perform the administrative processing (including any approvals) of any expense reports for reimbursement submitted by a Direct-Reporting Officer or a Board Commissioner pursuant to the applicable Administrative Policies and Procedures. Each Direct-Reporting Officer shall report to the President of the Board his or her planned absence from the Port (including any Port-related travel, personal leave of absence, vacation or personal leave) prior to the absence, and the Board may by motion disapprove of any such absence.

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5. The appointments and hires to the following positions and places of employment shall be made by the designated appointing authority for each such position ("Appointing Authority"), subject to the ratification by the Board of any such appointment prior to any appointee taking office and the enumerated conditions as follows:

a. The Executive Director shall be the Appointing Authority for Department heads of the Port. Department heads shall include any assistant or deputy executive director, and the directors of the divisions, including (if applicable) maritime, aviation, commercial real estate, chief financial officer, engineering, social responsibility, corporate administration, external affairs, information technology, environmental planning and programs, and labor advisor, or any other additional or replacement positions or places of employment designated as "department head" under the applicable resolution or ordinance of the Board.

b. The Port Attorney shall be the Appointing Authority for any Assistant Port Attorney.

c. The Secretary shall be the Appointing Authority for any Assistant Secretary.

d. The Auditor shall be the Appointing Authority for any Assistant Auditor.

e. The Appointing Authority may not alter the existing at-will nature of the employment relationship between the Port and any employee appointed subject to this paragraph 5.

d. It shall be the duty of the Appointing Authority, in exercising the power of appointments subject to this paragraph 5, to utilize any procedures established by the Board for appointment of at-will employees.

e. Each Appointing Authority shall report to the Board on all appointments and employee

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terminations subject to this paragraph 5 at least on a quarterly basis.

f. Each Appointing Authority shall evaluate the performance of the employees he or she appointed subject to this paragraph 5 and may increase and/or advance salaries within existing grade or schedules, including provision for premium pay of staff grant salary increases under incentive pay programs established by the Board, if any.

g. Each Appointing Authority may initiate and process the completion of desk audits of employees he or she appointed subject to this paragraph 5 and take such actions consistent with applicable Port policy and the powers delegated to each Appointing Authority, or to recommend actions to the Board to the extent such powers have not been so delegated to the Appointing Authority, to effect salary adjustments as deemed appropriate by the Appointing Authority or Board as the case may be.

6. Appointment of employees, including promotions or redesignations of persons to positions duly created or reclassified by the Board, shall be subject to prior approval by the Board of the staffing plan and budget providing for said places of employment.

7. Unless otherwise provided for in these Bylaws, appointments or hiring of employees shall be made through employment and hiring procedures established by the Board. Except for positions and places of employment exempt under the Charter from the personnel system of the City or the competitive civil service, each place of employment shall be assigned a classification, and each appointment shall be made through the employment and hiring procedures provided for in the the personnel rules and procedures.

8. Appointments of employees to Port positions without Board ratification as provided in these By-Laws, and other delegated personnel actions shall be reported to the Board on a quarterly basis by a report from the Executive Director, setting forth

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the effective date of each action taken, a description of the action, the names of personnel affected, and, with respect to appointments, the classification title and salary rate assignment.

ARTICLE XIII

Office Hours

1. The office hours for the executive and administrative offices of the Port shall be from 8:30 a.m. to 5:00 p.m. daily, Monday through Friday, and the number of hours of work for each employee shall be as set forth in the respective resolutions covering the various positions.

2. The holidays recognized by the Board are those specified by general law of the State of California and, in addition thereto, or in lieu thereof, any holidays specified in Memoranda of Understanding with recognized employee organizations to which the Board is a party; provided that arrangements shall be made with a sufficient number of employees to keep the offices and operations of the Port open for public service, as required.

3. The ~~Executive Director~~ Direct-Reporting Officers may in ~~the Executive Director's~~ their discretion require ~~the~~ their respective offices and divisions to be kept open at other hours and days upon notice to the officers and employees thereof, and the ~~Executive Director~~ Direct-Reporting Officers may assign alternative hours, other than those office hours set forth in Article XIII, Section 1 above, to certain officers and employees as the interest of the Port require.

ARTICLE XIII.

Amendments.

1. These By-Laws ~~and Administrative Rules~~ may be amended from time to time by ordinance of the Board.

Exhibit A to Ordinance

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Revised: ~~October 18, 2012~~ \_\_\_\_\_  
Port Ordinance No.: ~~4204~~ \_\_\_\_\_  
\_\_\_\_\_

**REMAINING ACTION ITEMS**

Remaining Action Items are items not previously addressed in this Agenda that may require staff presentation and/or discussion and information prior to action by the Board.

BOARD MTG. DATE: **5/23/13**

**AGENDA REPORT**

**TITLE:** Approval of budget and related authorizations to complete design, environmental review, and permitting for the Airport Perimeter Dike Improvement Project, Oakland International Airport

**AMOUNT:** Additional Capital Budget Authorization: \$1.976 million

**PARTIES INVOLVED:**

<b>Corporate Name/Principal</b>	<b>Location</b>
URS Corporation Americas Marty Czarnecki, Senior Vice President	Oakland, CA
Keech Properties, LLC Max Keech for the San Francisco Bay Wetland Mitigation Bank	Redwood City, CA

**TYPE OF ACTION:** Resolution

**SUBMITTED BY:** Kristi McKenney, Director of Aviation (Acting)  
Chris Chan, Director of Engineering

**SCHEDULED FOR BOARD:** May 23, 2013

**APPROVED BY:** Deborah Ale Flint, Executive Director (Acting)

**SUMMARY**

This Agenda Report seeks budget approvals, and other related authorizations, to complete the design, environmental review, permitting, and off-site mitigation of potential wetland and waters impacts for the Airport Perimeter Dike (“APD”) Improvement Project (“Project” or “APD Project”) at Oakland International Airport (“OAK”). Port of Oakland (“Port”) staff recommends the following three Board actions concerning the Project:

- 1) Authorize additional capital budget of \$1.976 million for Port staff and consultant support costs associated with completion of design, environmental review, and permitting;
- 2) Authorize the Executive Director to execute supplemental agreements with URS Corporation Americas (“URS”) to amend its current scopes of work to provide additional design and environmental consulting services; and
- 3) Authorize the use, if needed for the Project, of wetland mitigation credits at the Mitigation Bank from Keech Properties.

BOARD MTG. DATE: **5/9/13****FACTUAL BACKGROUND**

The APD protects facilities at OAK's South Field—including the main air carrier runway, taxiways, passenger terminals, auto parking, fuel farm, airline provisioning, Aircraft Rescue and Firefighting ("ARFF") station, and cargo facilities (UPS and Federal Express)—from inundation by water from the San Francisco Bay. The APD is approximately 4-1/2 miles long, comprised primarily of sand and gravel or clay, and located on the Bay. Some segments of the APD do not meet flood control standards of the Federal Emergency Management Administration ("FEMA"), and some segments are vulnerable to liquefaction during major seismic events. The purpose of the APD Project is to correct these deficiencies, enabling the APD to withstand severe storms and seismic events, protect OAK from potential flooding, and meet FEMA certification standards. In addition, the planned improvements would help mitigate the effects of anticipated sea level rise due to global warming.

The APD was constructed in three phases, mainly from materials dredged from the Bay, for the purpose of "reclaiming" land on which to expand OAK's facilities. The first phase was constructed in the late 1950s by clamshell dredging; this portion of the APD is composed mainly of clay-like Bay mud. Dredged materials (mainly sand) were used to fill the area behind the APD. The second and third phases took place in the 1960s and 1970s to extend Runway 11/29. The later portions are composed mainly of sand and gravel. The crest of the APD includes a gravel service road and a concrete rubble berm known as the crest structure. The elevation of the crest structure varies between 10.5 and 17.5 feet above the tidal datum at its lowest point. The Bay side of the APD surface is covered with broken concrete rubble (riprap). Three fuel pipelines—two active, owned by Kinder Morgan Energy Partners ("Kinder Morgan"), and one inactive, owned by Shell—are buried beneath the crest along portions of the APD.

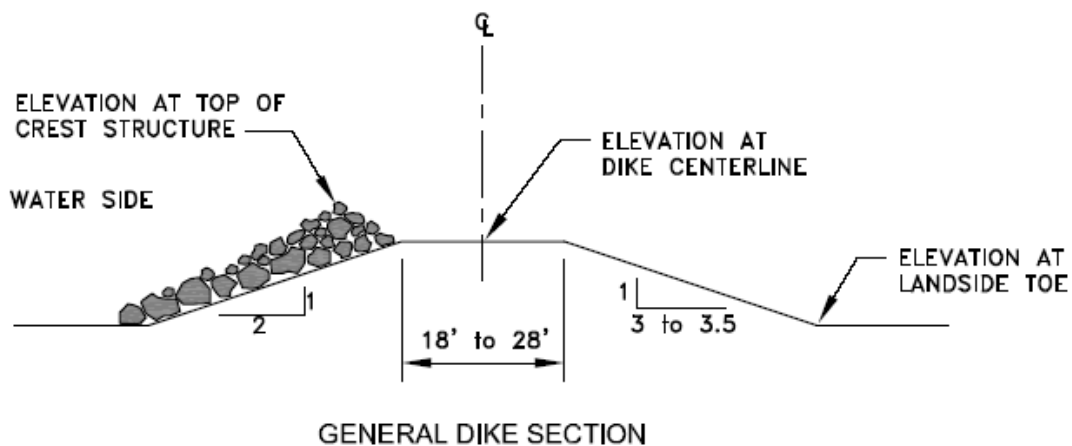
In 2007, the Port engaged URS to conduct an engineering study to determine whether the APD met current FEMA flood standards (100-year storm); assess the vulnerability of the APD to seismic events; recommend improvements to address both FEMA standards and seismic vulnerability; identify measures to prepare for potential sea level rise; and perform preliminary engineering design of the recommended improvements. The engineering analysis found that OAK is vulnerable to inundation potentially caused by storm, seismic event as well as sea level rise. The sand and gravel portions of the APD are particularly susceptible to liquefaction in a major seismic event. URS completed an Improvement Strategy Report that recommends measures to meet FEMA standards, protect against a 100-year flood event, improve seismic stability, and help mitigate the effects of potential sea level rise.

FEMA has indicated to the Port that the APD is no longer accredited as providing 100-year flood protection. FEMA is currently performing analyses leading to revision of its Flood Insurance Rate Maps ("FIRMs"). If the Port's improvements are not completed before FEMA's FIRM update, anticipated in 2014 or 2015, OAK will be designated a Special Flood Hazard Area ("SFHA") on the FIRM. During the time OAK is within a SFHA,



BOARD MTG. DATE: **5/9/13**

the Port may be required to adopt minimum floodplain management standards which would include significant building design restrictions. Such restrictions could lead to delays in implementing certain OAK projects and could increase costs, including the cost of flood insurance, to the Port and some OAK tenants and users. When the Port completes its improvements and documents that it has met FEMA standards, FEMA has indicated to the Port that it will issue a Letter of Map Revision removing the OAK from the SFHA.



BOARD MTG. DATE: **5/9/13****ANALYSIS**

In late 2010 and early 2011, the Port and URS completed a preliminary design and initiated public scoping for environmental review of the proposed APD Project. The Port's proposed APD Project improvements to mitigate effects of seismic events included constructing ground improvements (stone columns or cement deep soil mixing) along the APD to strengthen the soil and improve the seismic stability. The Port's initial concept assumed that Shell would remove its inactive fuel pipeline before APD improvement work began and that Kinder Morgan would relocate its active fuel pipelines to a nearby location along the inboard side of the APD before the seismic improvements were undertaken by the Port.

In early 2011, the Port worked with both Shell and Kinder Morgan to become more engaged in scoping the proposed APD Project. This led to a series of meetings and communications between Port staff, the staff of the pipeline companies, and their respective consultants regarding project scope, phasing and constructability issues. During these technical discussions, Port staff placed the URS design and environmental review efforts on hold, resulting in an extended delay to the initial APD Project implementation schedule. Through collaborative discussions with Kinder Morgan, Port staff has recently selected a modified project approach which allows the Kinder Morgan pipelines to remain in place (the Shell pipeline will still be required to be removed); therefore Project design and environmental review can be reinitiated.

APD Project design, environmental review and permitting efforts are expected to take approximately 18 months, after which staff will return to the Board requesting approval of the Project Manual and construction budget. Project construction is expected to be completed by mid-2016. APD Project construction will be carefully phased to minimize operational impacts and avoid conflicts with the Runway Safety Area ("RSA") Improvement Project construction.

**Additional Capital Budget**

In order to complete the APD design, environmental review, permits and related approvals, Port staff will need to manage and coordinate the parallel tracks of APD design, environmental documents, permitting, off-site mitigation, and planning for the construction phase. The total requested additional capital budget is \$1,976,000. Prior budget, costs to date, and requested additional budget are shown in TABLE 2 of the Budget and Financial Impact section below. In addition to in-house Port costs the budget request includes the following costs and agreements with other parties:

**1. Supplemental Consultant Agreements with URS**

In 2007, the Port contracted with URS to prepare the APD preliminary studies and Project construction documents, and in 2009 the Port contracted with URS to prepare APD environmental studies, analysis, and reports. The original contract authority needs to be supplemented by \$355,000 (as detailed in TABLE 1 below) to complete the work incorporating the modified design solution discussed above.

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TABLE 1: URS Contract Authorization, Remaining Balance and Proposed Supplement

APD Phase	Contract Authorization	Cost-to-Date	Remaining	Estimate to Complete	Additional Authorization	Proposed Contract Totals
URS Design	\$1,581,000	\$1,320,000	\$261,000	\$406,000	\$145,000	\$1,726,000
URS Environmental	\$480,000	\$137,000	\$343,000	\$553,000	\$210,000	\$690,000
TOTAL	\$2,061,000	\$1,457,000	\$604,000	\$959,000	\$355,000	\$2,416,000

**2. Off-site Wetland Mitigation Bank Credits**

In June 2012, the Port entered into an Agreement with Keech Properties to have the option to purchase Mitigation Bank credits, and ultimately to purchase these credits for impacts from the Runway Safety Area (“RSA”) project. While the majority of credits were purchased for the RSA project, the option to purchase 4.55 credits (3.75 wetlands and 0.8 waters) remains for other Port projects. Port staff requests that the Board of Port Commissioners (“Board”) authorize the use of some or all of these credits for the APD Project, to the extent deemed necessary through environmental review and permitting for a total of up to \$1,415,000. An estimated budget is shown in TABLE 2 of the Budget & Financial Impact section.

At present it is unknown if off-site mitigation will be required for impacts to endangered species; this will be determined as the design and environmental studies progress. Therefore authority for such mitigation will be requested at a future time, if needed.

**STRATEGIC PLAN**

The APD Project helps the Port achieve the following Strategic Plan Goals and Objectives:

- o Environmental stewardship is a lens for all Port activities.
- o The Port maximizes its assets, investments and resources.
- o The Port delivers the highest value in its services and facilities at the most competitive price.

STRATEGIC PRIORITY AREA	GOAL	OBJECTIVE	HOW PROJECTS IMPLEMENT + WHEN
<b>Sustainable Economic and Business Development</b>	<b>Goal A:</b> Create sustainable economic growth for the Port and beyond.	1. Maximize the use of existing assets.	The APD Project involves safety and protection of the airfield, passenger terminals and cargo facilities at OAK. These are among the largest assets in the Port’s portfolio.

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STRATEGIC PRIORITY AREA	GOAL	OBJECTIVE	HOW PROJECTS IMPLEMENT + WHEN
<b>Sustainable Economic and Business Development</b>	<b>Goal A:</b> Create sustainable economic growth for the Port and beyond.	<b>3.</b> Increase revenue, job creation and small business growth.	While underway, the APD Project will create employment opportunities for consulting and construction-related jobs.
	<b>Goal A:</b> Create sustainable economic growth for the Port and beyond.	<b>4.</b> Pursue strategic partnerships at all levels: local, regional, national and international.	The APD Project involves partnerships with a range of local, regional and federal agencies including the State of California Department of Water Resources
	<b>Goal B:</b> Maintain And Aggressively Grow Core Businesses	<b>1.</b> Retain existing customers and tenants.	Protection from flooding of the airfield, passenger terminals and cargo facilities at OAK is essential to retention of existing tenants at South Field.
	<b>Goal C:</b> Promote equitable community access to employment and business opportunities.	<b>1.</b> Comply with all federal, State, local and Port workforce mandates.	Consultants and contractors for the Local Levee Assistance Program (LLAP) grant-funded portions of the project were, or will be, selected in compliance with state labor requirements.
<b>Stewardship and Accountability</b>	<b>Goal F:</b> Aggressively Obtain Maximum Amount Of External Grant And Government Funding And Regulatory Relief.	<b>2.</b> Partner with other agencies to create joint grant strategies.	Port staff has obtained Department of Water Resources LLAP grant funding, and will continue pursuing other potential governmental grant funding for the ADP Project.
	<b>Goal G:</b> Sustain Healthy Communities Through Leading Edge Environmental Stewardship		If necessary due to on-site impacts, the APD Project will replace wetlands on OAK with contiguous higher-value off-site mitigation.

**BUDGET & FINANCIAL IMPACT**

The 5-year Capital Needs Assessment (“CNA”) for FY2012-13 to FY2016-17 includes approximately \$47 million in total funding for the project under CNA Project No. A20039201, of which \$1,384,000 is contractually obligated in FY2012-13 and the balance is reflected as “pipeline.” Funding for the APD Project as a whole includes \$1.2 million in Passenger Facility Charges (“PFC”), an offer of up to \$6,726,500 in two State Department of Water Resources (“DWR”) Local Levee Assistance Program (“LLAP”) grants, and Port funds (cash or debt to the extent cash is not available). The current phase of the project

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discussed in this Report includes an estimated \$1.2 million of PFC funding and \$2.16 million of the LLAP funding.

The LLAP was created in 2006 when the voters of California approved Proposition 84, which provided funds for programs to repair and evaluate local levees and flood control facilities. The LLAP grant offers to the Port require an equal commitment of local funds, which the Board approved when it authorized staff in December 2011 to apply for and accept LLAP funds. Port staff is presently working with DWR staff to finalize the grant amounts and execute the grant agreements. LLAP funds will likely be available for use on the APD Project in summer or early fall 2013.

The budget request in this Agenda Report is for completion of design, environmental review, permitting, and off-site wetland mitigation. The estimated budget requirement for this phase is \$6.6 million, of which approximately \$4.6 million was authorized by prior Board actions in 2010 and 2012. Thus the current budget request to complete this phase is \$1.976 million, as shown in TABLE 2. Staff anticipates that this budget request will be funded approximately 50% by LLAP grant funds and 50% by Port funds.

TABLE 2: Proposed Project Budget (Design, Environmental, Wetland Mitigation)

<b>Project Element</b>	<b>Previously Approved Budget</b>	<b>Current Request</b>	<b>Total Proposed Budget (Design and Environmental)</b>	<b>Notes</b>
Consultant (URS Design & Environmental)	\$2,061,000	\$355,000	\$2,416,000	Totals from Table 1
Offsite Wetland Mitigation		\$1,415,000	\$1,415,000	Pre-Design Estimate
Port Labor and Labor Overhead, Legal Support	\$2,585,000	\$206,000	\$2,791,000	Engineer's Estimate
<b>TOTAL</b>	<b>\$4,646,000</b>	<b>\$1,976,000</b>	<b>\$6,622,000</b>	

The estimated expenditure schedule for the APD Project through design and environmental process is shown in TABLE 3:

TABLE 3: Proposed Expenditure Schedule for APD Project Design, Environmental Review & Permitting

<b>Total Cost-to-Date</b>	<b>Remainder of FY 12-13</b>	<b>FY 13-14</b>	<b>FY 14-15</b>	<b>Total Needs</b>
\$2,774,000	\$35,000	\$1,090,000	\$2,723,000	\$6,622,000

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Anticipated funding for the APD Project through design and environmental process is shown in TABLE 4:

TABLE 4: Proposed Funding\*  
APD Project Design, Environmental Review & Permitting

Passenger Facility Charge (PFC)	LLAP Grant Funds	Port Funds	Total Needs
\$1,200,000	\$2,158,000	\$3,264,000	\$6,622,000

\* Includes costs-to-date; distribution of funding is based on current estimates.

**STAFFING IMPACT**

It is anticipated that the grant applications and administration, as well as the management and coordination of the design and environmental process for APD Project, can be accomplished within the current Port staffing levels. Port staffing during construction will be assessed at the time staff requests Board approval for the bidding and construction of the ADP project.

**SUSTAINABILITY**

The APD Improvement Project provides a range of opportunities to improve the Port’s commitment to sustainability. The Port has a Materials Management Program (“MMP”) to segregate and process waste concrete and asphalt rubble for reuse in future Port projects. If appropriate, the contract documents will include provisions for using stockpiled materials as available, and transporting excess soil and other materials to the Port’s Material Management Site (“MMS”) for processing and reuse. Port staff and consultants attempt to prepare technical memos and reports in electronic format (e.g., “PDF”), saving paper, ink, electricity (associated with printing and copying), and trees.

**ENVIRONMENTAL**

CEQA: The general rule in Section 15061(b) (3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty there is no possibility that adding capital budget to continue to design the APD, perform environmental review, and authorize the use of wetland credits will result in a physical change in the environment; therefore, this action is exempt from CEQA. However, prior to construction, the Port’s Environmental Programs and Planning Division will complete an Initial Study/Mitigated Negative Declaration.

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NEPA: Due to the use of federal funds, prior to construction of the APD Project will prepare an Environmental Assessment in coordination with the FAA. It is anticipated that a Final Environmental Assessment and associated Finding of No Significant Impact/Record of Decision will be signed by the FAA. It is anticipated that the U.S Army Corps of Engineers (“U.S. ACOEs”) will be a cooperating agency.

Permits: Permits and/or formal endangered species consultation is anticipated with the U.S. ACOE, Regional Water Quality Control Board, the San Francisco Bay Conservation and Development Commission, and the U.S. Fish and Wildlife Service. An informal consultation is anticipated with State Historic Preservation Office, and the National Marine Fisheries Service.

In accordance with regulations established by the U.S. Environmental Protection Agency (“USEPA”), the US ACOE may issue a permit for a proposed project only if it determines that the Project complies with all parts of USEPA regulations, commonly referred to as the Section 404(b)(1) Guidelines. A major requirement of the Guidelines is whether the proposed project is the least environmentally damaging practicable alternative.

### **MARITIME AND AVIATION PROJECT LABOR AGREEMENT (“MAPLA”)**

The contracts are for professional services that do not include construction testing and inspection. Therefore, the provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement (“MAPLA”) do not apply to this work. However, MAPLA will apply to future construction work associated with the APD Project.

### **OWNER CONTROLLED INSURANCE PROGRAM (“OCIP”)**

Design and consulting services that are related to capital improvement projects will be subject to the Port's Professional Liability Insurance Program (“PLIP”) which is part of the Owner Controlled Insurance Program (“OCIP”).

### **GENERAL PLAN**

Pursuant to Section 727 of the City of Oakland Charter, this Project has been determined to conform to the policies for the transportation designation of the Oakland General Plan.

### **LIVING WAGE**

Living wage requirements, in accordance with the Port’s Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the “Living Wage Regulations”), do not apply as the service providers does not employ 21 or more employees working on Port-related work. However, the service providers will be required to certify that should living wage obligations become applicable, the service providers shall comply with the Living Wage Regulations.

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## **OPTIONS**

1. Approve requested budget and related authorizations to complete design, environmental review, and permitting for the APD Project. This is the recommended option and would allow Port staff and consultants to reinitiate efforts to improve the APD to enable it to withstand severe storms and seismic events, and meet FEMA certification standards.
2. Direct staff to select new consultant(s) to complete APD Project design and environmental review. This is not recommended because it would result in additional costs and project schedule delay while new consultants were selected and brought up to speed on work done by URS since 2007. It would also require cancelling the balance of URS' existing contract for preparation of the APD environmental studies and project design.
3. Do not proceed with the Project at this time; this would delay implementation of the recommended improvements and leave the APD vulnerable to damage from severe storms and seismic events. This option would also result in OAK being placed into a SFHA which may require the Port to adopt minimum floodplain management standards which would include significant building design restrictions. Such restrictions could lead to delays in implementing certain OAK projects and could increase costs, including the cost of flood insurance, to the Port and some OAK tenants and users.

## **RECOMMENDATION**

It is recommended that the Board take the following actions concerning the APD Project:

1. Authorize additional capital budget of \$1.976 million for Port staff and consultant support costs associated with completion of design, environmental review, and permitting;
2. Authorize the Executive Director to execute supplemental agreements with URS Corporation Americas to amend its current scopes of work to provide additional design and environmental consulting services; and
3. Authorize the use, if needed for the APD Project, of wetland mitigation credits at the Mitigation Bank from Keech Properties.



May 23, 2013  
Item No.: 6.1  
MH/JV  
MH

**BOARD OF PORT COMMISSIONERS  
CITY OF OAKLAND**

**RESOLUTION AUTHORIZING COMPLETION OF DESIGN, ENVIRONMENTAL REVIEW AND ENVIRONMENTAL PERMITTING FOR THE AIRPORT PERIMETER DIKE PROJECT (APD); APPROVING ADDITIONAL CAPITAL BUDGET IN THE AMOUNT OF \$1,976,000; AUTHORIZING SUPPLEMENTAL AGREEMENTS WITH URS CORPORATION AMERICAS AND FINDING AND DETERMINING THAT SUCH CONSULTING SERVICES CONSTITUTES PROFESSIONAL, TECHNICAL AND SPECIALIZED SERVICES THAT ARE TEMPORARY IN NATURE.**

**WHEREAS**, the Board of Port Commissioners (herein the "Board") has reviewed and evaluated the Board Agenda Report Item No. 6.1, dated **May 23, 2013** (herein the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore, be it

**RESOLVED**, that in acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received; and be it

**FURTHER RESOLVED**, that the Board hereby authorizes completion of the design, environmental review and environmental permitting for the APD and approves additional capital budget in the amount of \$1,976,000 for Port staff and consultant support costs; and be it

**FURTHER RESOLVED**, that the Board hereby finds and determines that the proposed Supplemental Agreements with URS CORPORATION AMERICAS, concerning design and environmental issues associated with the APD, will constitute agreements for obtaining professional, technical and specialized services that are temporary in nature and that it is in the best interest of the Port to secure such services without competitive bidding; and be it

**FURTHER RESOLVED**, that the Board hereby approves and authorizes the execution for and on behalf of the Board of said Supplemental Agreements, upon terms and conditions consistent with the Agenda Report and providing that URS CORPORATION AMERICAS shall be compensated for such services including costs of miscellaneous reimbursable expenses at a maximum compensation that shall not exceed an additional \$355,000; and be it

**FURTHER RESOLVED**, that this work shall not be subject to the provisions of the Port of Oakland Maritime and Aviation Project Labor Agreement ("MAPLA"); and be it

**FURTHER RESOLVED**, that the Board authorizes the use, if needed for the APD, of wetland mitigation credits at the Mitigation Bank from Keech Properties, LLC; and be it

**FURTHER RESOLVED**, that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of an agreement in accordance with the terms of this resolution. Unless and until a separate written agreement is duly executed on behalf of the Board as authorized by this resolution, is signed as approved as to form and legality by the Port Attorney, and is delivered to other contracting party, there shall be no valid or effective agreement.

DRAFT

BOARD MTG. DATE: **5/23/13**

**AGENDA REPORT**

<b>TITLE:</b>	General Rate Increase of 1.7% to Port Tariff No. 2-A, effective July 1, 2013				
<b>AMOUNT:</b>	Additional Revenue of Approximately \$415,000 (Minimum) in Fiscal Year 2013-14				
<b>PARTIES INVOLVED:</b>	<table border="1"> <thead> <tr> <th>Corporate Name/Principal</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>NA</td> <td></td> </tr> </tbody> </table>	Corporate Name/Principal	Location	NA	
Corporate Name/Principal	Location				
NA					
<b>TYPE OF ACTION:</b>	Ordinance				
<b>SUBMITTED BY:</b>	Jean Banker, Acting Maritime Director				
<b>APPROVED BY:</b>	Deborah Ale Flint, Acting Executive Director				

**SUMMARY**

Port Tariff No. 2-A sets forth rates and charges for Maritime facilities. The last rate increase for Tariff No. 2-A was effective July 1, 2007. Consistent with other member ports of the California Association of Port Authorities (CAPA), Port staff is recommending a General Rate Increase (GRI) of 1.7% effective July 1, 2013 to address rising costs due to inflation.

**FACTUAL BACKGROUND**

Port Tariff No. 2-A sets forth rates and charges for Maritime facilities. The Port amends the Tariff from time to time to increase rates. Changes to Tariff No. 2-A are typically submitted to the CAPA, which reviews all changes to port tariff rates to try to maintain consistency across California ports. Although not required, CAPA approval of changes to Port Tariff No. 2-A is desirable. Sometimes, CAPA (as opposed to an individual port) initiates rate changes, but such changes remain subject to the approval of each member port.

The two most recent increases for Tariff No. 2-A were in 2005 (for all rates and tenants) and 2007 (for space assignment tenants only<sup>1</sup>). Given major economic downturn in 2008-2009 and continued business pressures affecting maritime activities and customers at the Port, the Port has not implemented a rate increase since 2007. An approximate 5% Tariff increase was planned effective July 1, 2014 (Fiscal Year (FY) 2014-15).

In November 2012, CAPA members unanimously adopted an annual GRI methodology for tariffs based on the consumer price index. A GRI is a common percentage increase that applies to all rates in a port's tariff. The effective date of the annual GRI would be July 1 of each year, subject to approval by the Board of Port Commissioners (Board).

Effective July 1, 2013, the GRI is proposed to be 1.7%, consistent with the change in the West Region Consumer Price Index for All Urban Consumers (CPI-U). Maritime Division staff

<sup>1</sup> Space assignments are short term (month-to-month) lease/rental agreements.

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recommends amending Tariff No. 2-A accordingly. Staff submitted a docket proposal to CAPA to formalize this action and received unanimous approval from the member ports.

**ANALYSIS**

As a result of inflation, security, maintenance, infrastructure, and administrative costs in the Maritime area have increased since 2007 (the CPI-U has increased about 9% since 2007). Because inflation affects the cost of operating and maintaining all Maritime facilities, Port staff recommends that the GRI apply to all rates in Tariff No. 2-A, thereby affecting all Maritime tenants and facilities unless otherwise specified in the tenant’s lease agreement (see Budget & Financial Impact). The section of Tariff No. 2-A that will be revised are (see Attachment A):

- Section IV: Dockage
- Section V-A: Wharfage rules and regulations
- Section VI: Wharfage, containerized cargo
- Section VII: Wharfage, non-containerized cargo
- Section VIII-A: Wharf demurrage rules and rates
- Section VIII-B: Wharf storage rules and rates
- Section IX: Container crane assignment and rental rates
- Section X-B: Space assignments (including land (paved, lit, fenced, etc.), warehouse & surrounding yard)
- Section XI: Miscellaneous charges (e.g., fresh water service)

The proposed GRI is based on the CPI-U for the 12-month period ending December 2012. CAPA member ports may choose to increase rates by more than the CAPA-authorized GRI, and may, under unique circumstances, waive the GRI, or apply the GRI only to certain portions of their respective tariffs.

Staff believes the proposed GRI of 1.7% is sufficiently minimal that it retains competitively priced facilities and services in a still-fragile market, while helping the Port keep up with rising costs. Additionally, an annual increase provides customers with a greater ability to plan for and manage costs, as compared to higher Tariff rate adjustments that occur every few years. Staff anticipates that if the 1.7% GRI is approved for implementation in FY 2013-14, the 5% increase currently budgeted for FY 2014-15 would be replaced with a lower annual increase.

In addition to amending the sections of the Tariff listed above, the Port also proposes updates to various sections of Tariff No. 2-A to reflect current staff names and contact information, correct typographical errors, and make similar minor corrections/updates that do not affect rates.

Maritime Division staff has and continues to reach out to its tenants and customers to discuss the GRI. Port tenants will also be formally notified of the rate increase upon adoption by the Board. Given various noticing requirements, the Board must authorize the GRI in May 2013 in order for it to become effective July 1.

**STRATEGIC PLAN**

The action described herein would help the Port achieve the following goal and objective of the Port’s Strategic Plan:

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<b>STRATEGIC PRIORITY AREAS</b>	<b>GOAL</b>	<b>OBJECTIVE</b>	<b>HOW THIS PROJECT IMPLEMENTS + WHEN</b>
Sustainable Economic and Business Development	Goal B: Maintain and Aggressively Grow Core Businesses	1. Retain existing customers  3. Price Port services to provide a highly competitive value	The proposed Tariff increase provides additional revenue to address rising costs while maintaining competitively priced services.

**BUDGET & FINANCIAL IMPACT**

The GRI is expected to generate minimum revenue of approximately \$415,000 in FY 2013-14. This estimate takes into account that some of the Maritime tenants operating under long-term lease agreements (e.g., marine terminal non-preferential assignment agreements) have annual or multi-year rate maximums that may preclude assessment of tariff rate increases in certain years.

**STAFFING IMPACT**

The action described herein has no staffing impact.

**SUSTAINABILITY**

The action described herein does not directly provide opportunities for sustainability as described in the Port's Sustainability Policy.

**ENVIRONMENTAL**

The proposed modifications to Tariff No. 2-A were reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA) Guidelines and the Port CEQA Guidelines. The proposed rate increase in Tariff No. 2-A is statutorily exempt from CEQA under Section 15273(a) of the CEQA Guidelines since CEQA does not apply to the modification or approval of rates and other charges by public agencies that the public agency finds are for the purpose of meeting operating expenses or for funding capital projects necessary to maintain service within existing service areas. The proposed rate increase is for those funding purposes, so meets the criteria for this exemption. CEQA also does not apply to the other proposed updates to Tariff No. 2-A under Section 15061(b)(3) of the CEQA Guidelines, since it can be seen with certainty that there is no possibility that the proposed minor updates and corrections to Tariff No. 2-A may have a significant effect on the environment.

BOARD MTG. DATE: **5/23/13**

**MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA)**

The matters addressed under this action are not within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply to this action.

**OWNER CONTROLLED INSURANCE PROGRAM (OCIP)**

This action is not subject to the Port's Owner Controlled Insurance Program (OCIP).

**GENERAL PLAN**

This action does not change the use of any existing facilities or create new facilities; therefore a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

**LIVING WAGE**

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.

**OPTIONS**

Staff has identified the following options for the Board's consideration:

1. Do not adopt a GRI at this time.
2. Adopt a GRI in excess of 1.7% effective July 1, 2013.
3. Adopt a GRI of 1.7% effective July 1, 2013. This is the recommended action.

**RECOMMENDATION**

Staff recommends that the Board adopt an ordinance that:

1. Makes the CEQA findings described herein.
2. Approves a 1.7% GRI effective July 1, 2013 and related amendments to Port Tariff No. 2-A effective July 1, 2013 as summarized herein.

BOARD MTG. DATE: **5/23/13**

**ATTACHMENT A**

**Proposed Changes to Tariff No. 2-A**

Section IV:	Dockage
Section V-A:	Wharfage rules and regulations
Section VI:	Wharfage, containerized cargo
Section VII:	Wharfage, non-containerized cargo
Section VIII-A:	Wharf demurrage rules and rates
Section VIII-B:	Wharf storage rules and rates
Section IX:	Container crane assignment and rental rates
Section X-B:	Space assignments
Section XI:	Miscellaneous charges

<b>THE BOARD OF PORT COMMISSIONERS</b> <b>PORT OF OAKLAND</b> <b>TARIFF NO. 2-A</b>		27 <sup>th</sup> REVISED PAGE 1 Cancels 26 <sup>th</sup> REVISED PAGE 1
<b>BOARD OF PORT COMMISSIONERS</b> Gilda Gonzales, President		
James W. Head	1 <sup>st</sup> Vice President	Victor Uno Commissioner
Alan S. Yee	2nd Vice President	Earl S. Hamlin Commissioner
Cestra Butner	Commissioner	Bryan Parker Commissioner
<b>Executive Office</b> Deborah Ale Flint, Executive Director (Acting) (510) 627-1133 Fax (510) 839-5104 Jean Banker, Deputy Executive Director (510) 627-1325 Fax (510) 839-5104		
<b>MARITIME DIVISION</b> Fax (510) 835-1641 JEAN BANKER, DIRECTOR OF MARITIME (ACTING) (510) 627-1325 BRENDA JAMES, EXECUTIVE ASSISTANT (510) 627-1189		
<b>ADMINISTRATION AND FINANCE</b>		<b>MARKETING</b>
LAWRENCE DUNNIGAN, ADMINISTRATION, FINANCE, MARKETING MANAGER (510) 627-1353 LISA FRANCO (510) 627-1574 RONALD BROWN (510) 627-1166 CORNEL HAMMONS (510) 627-1352 RICKY SUN (510) 627-1319 YEN TRAN (510) 627-1376		
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MARK ERICKSON (510) 627-1549	CHRISTOPHER PETERSON, CHIEF WHARFINGER (510) 627-1308	
DELPHINE PREVOST (510) 627-1141	ROBERT CATHEY (510) 627-1547	
RAMONA DIXON (510) 627-1634	RICHARD TAYLOR (510) 627-1393	
	RALPH REYNOSO (510) 627-1313	
	JUSTIN TASCHEK (510) 627-1309	
<b>SECURITY</b>		<b>HARBOR FACILITIES</b>
MICHAEL O'BRIEN, (510) 627-1303	BILL MORRISON, MANAGER (510) 627-1500	
PORT FACILITIES SECURITY OFFICER ERIC NAPRALLA (510) 627-1403		
<b>PORT OF OAKLAND OFFICE HEADQUARTERS</b> 530 Water Street, Oakland, California 94607 Telephone (510) 627-1100		
For explanation of abbreviations and reference marks see Page 10.		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013



THE BOARD OF PORT COMMISSIONERS  
PORT OF OAKLAND  
TARIFF NO. 2-A

21<sup>st</sup> REVISED PAGE 2  
Cancels  
20<sup>th</sup> REVISED PAGE 2

MARITIME DIVISION HOMEPAGE INFORMATION  
<http://www.portofoakland.com/maritime>

**MARITIME DIVISION**

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**HARBOR FACILITIES**

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**Note:** The above telephone numbers apply only when dialed from the United States. Please consult local telephone procedures if dialing from outside the United States.

For explanation of abbreviations and reference marks see Page 10.

ADOPTED: May 23, 2013

EFFECTIVE: July 1, 2013

# REMAINING ACTION ITEMS Tab 6.2

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A	73 <sup>rd</sup> REVISED PAGE 3 Cancels 72 <sup>nd</sup> REVISED PAGE 3
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## CORRECTION NUMBER SHEET

Upon receipt of revised or new pages, the page number will be placed opposite the "correction" number (shown below) corresponding to number shown in lower left hand corner of new or changed page. Entries will appear in consecutive order with no omission, however, if entries indicate that a new or changed page has not been received, request should at once be made to the port for copy of same.

CORR NO.	REV NO.	PAGE NO.	CORR NO.	REV NO.	PAGE NO.	CORR NO.	REV NO.	PAGE NO.	CORR NO.	REV NO.	PAGE NO.
678	73 <sup>rd</sup>	3	698	3 <sup>rd</sup>	101	718	2 <sup>nd</sup>	133C	738		
679	27 <sup>th</sup>	1	699	8 <sup>th</sup>	104	719	12 <sup>th</sup>	134	739		
680	21 <sup>st</sup>	2	700	9 <sup>th</sup>	105	720	4 <sup>th</sup>	144	740		
681	9 <sup>th</sup>	59	701	8 <sup>th</sup>	109	721	11 <sup>th</sup>	145	741		
682	3 <sup>rd</sup>	60	702	8 <sup>th</sup>	110	722	2 <sup>nd</sup>	146	742		
683	2 <sup>nd</sup>	64	703	9 <sup>th</sup>	111	723	2 <sup>nd</sup>	147	743		
684	9 <sup>th</sup>	75	704	10 <sup>th</sup>	112	724			744		
685	10 <sup>th</sup>	76	705	9 <sup>th</sup>	113	725			745		
686	10 <sup>th</sup>	77	706	9 <sup>th</sup>	114	726			746		
687	9 <sup>th</sup>	78	707	9 <sup>th</sup>	115	727			747		
688	10 <sup>th</sup>	79	708	5 <sup>th</sup>	123	728			748		
689	10 <sup>th</sup>	80	709	11 <sup>th</sup>	125	729			749		
690	9 <sup>th</sup>	81	710	10 <sup>th</sup>	127	730			750		
691	16 <sup>th</sup>	94	711	12 <sup>th</sup>	128	731			751		
692	8 <sup>th</sup>	95	712	12 <sup>th</sup>	129	732			752		
693	8 <sup>th</sup>	96	713	8 <sup>th</sup>	130	733			753		
694	11 <sup>th</sup>	97	714	13 <sup>th</sup>	131	734			754		
695	11 <sup>th</sup>	98	715	9 <sup>th</sup>	133	735			755		
696	14 <sup>th</sup>	99	716	6 <sup>th</sup>	133A	736			756		
697	9 <sup>th</sup>	100	717	3 <sup>rd</sup>	133B	737			757		

For explanation of abbreviations and reference marks see Page 10.

ADOPTED: May 23, 2013

EFFECTIVE: July 1, 2013

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				9 <sup>th</sup> REVISED PAGE 59 Cancels 8 <sup>th</sup> REVISED PAGE 59	
SECTION IV: DOCKAGE					ITEM NO.
BASIS FOR COMPUTING DOCKAGE					04125
<p>(b) For the purpose of this tariff, the overall length of the vessel is the linear distance expressed in meters from the most forward point on the bow of the vessel to the aftermost part of the stern of the vessel measured as parallel to the base line of the vessel.</p> <p>(1) Fractions of less than one-half (.5) meter will be discarded when determining overall length.</p> <p>(2) Fractions of one-half (.5) meter or more will be increased to the next whole meter when determining overall length.</p>					
FULL DOCKAGE RATES ON VESSELS ENGAGED IN ALL TRADES					
LENGTH OF VESSEL- OVERALL IN METERS		RATE FOR FIRST 24 HOUR PERIOD OR PART THEREOF (1)	LENGTH OF VESSEL-OVERALL IN METERS		RATE FOR FIRST 24 HOUR PERIOD OR PART THEREOF (1)
OVER	NOT OVER		OVER	NOT OVER	
0	30	\$ 85.00	210	225	\$3,652.00
30	45	124.00	225	240	4,223.00
45	60	172.00	240	255	4,835.00
60	75	241.00	255	270	5,489.00
75	90	357.00	270	285	6,180.00
90	105	561.00	285	300	6,915.00
105	120	804.00	300	315	7,691.00
120	135	1,088.00	315	330	8,506.00
135	150	1,413.00	330	345	9,364.00
150	165	1,778.00	345	360	10,262.00
165	180	2,185.00	360	375	11,198.00
180	195	2,635.00	375	390	12,181.00
195	210	3,122.00	390	---	(2)
<p>(1) Charges beyond the first 24 hours shall be assessed in whole six-hour increments at twenty-five percent (25%) of the full rate for each subsequent six-hour period.</p> <p>(2) The rate for vessels over 390 meters in overall length shall be \$35.00 for each meter of overall length or fraction thereof in excess of 390 meters in addition to the above charge of \$12,181.00</p>					(I) 04130
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

<p>THE BOARD OF PORT COMMISSIONERS          PORT OF OAKLAND          TARIFF NO. 2-A</p>		<p>3<sup>rd</sup> REVISED PAGE 60          Cancels          2<sup>nd</sup> REVISED PAGE 60</p>
<p>SECTION IV: DOCKAGE</p>	<p>ITEM NO.</p>	
<p>MONTHLY DOCKAGE FEE</p>		
<p>(a) Operators of barges, lighters, tugs and similar vessels normally employed exclusively in daily Inland Waterway movements to and from Port facilities may, upon written application to the Director of Maritime, or his/her designee, on forms provided by the Port, be afforded monthly rates. Such operators are subject to a minimum charge of \$1,521 per month.</p>		<p>(^) 04135</p>
<p>(b) The monthly rate will be calculated based upon the applicable daily dockage rates multiplied by an average number of daily vessel dockings per 30-day period, subject to the following conditions:</p>		
<p>(1) Use of Port facilities under monthly dockage rates shall be subject to all rules and regulations contained in this tariff as well as special conditions which may be specified on MT Form 150, Standard Application Form for Tariff Assignment.</p>		
<p>(2) Barges, lighters, tugs and similar vessels subject to this rate will be specifically named on the Port's application form.</p>		
<p>(c) Such monthly rates shall be revocable at the discretion of the Executive Director. Vessels afforded monthly rates shall not be entitled to any preferential berthing right and such vessels shall vacate any particular berth whenever so ordered by the Executive Director.</p>		
<p>For explanation of abbreviations and reference marks see Page 10.</p>		
<p>ADOPTED: May 23, 2013</p>		<p>EFFECTIVE: July 1, 2013</p>

<p style="text-align: center;">THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A</p>	<p style="text-align: right;">2<sup>nd</sup> REVISED PAGE 64 Cancels 1<sup>st</sup> REVISED PAGE 64</p>
<p>SECTION V - A: WHARFAGE - RULES AND REGULATIONS</p>	<p>ITEM NO.</p>
<p style="text-align: center;">MANIFESTS AND STATEMENTS</p> <p>(b) The owner, agent, master or other person in charge of a vessel or cargo, in addition to providing full and correct statements, shall within the time specified above, deliver to the Director of Maritime, or his/her designee, those portions of the vessel manifest and or bills of lading that are reasonably necessary to verify the information provided on said statements.</p> <p>(c) In addition to the statements said documents required to be submitted under paragraphs (a) and (b) above, use of any Port facility by the owner, agent, master or other person in charge of a vessel or cargo shall constitute authorization for the release of operational information pertaining to such vessel activity, as may be reasonably required from time to time by the Director of Maritime, or his/her designee, to verify cargo loaded and or discharged at the Port of Oakland.</p> <p>(d) Neglect or refusal by any person to comply with the provisions in paragraphs (a), (b) and (c) of this Item; or, deliberately falsifying statements and documents by any person may, at the discretion of the Executive Director, result in such person being subject to the penalties prescribed in law and in this tariff. In addition, any person who fails to submit a statement of wharfage charges within the times provided herein shall pay to the Port the sum of one hundred fifty and no/100 dollars (\$153.00) for each wharfage statement that the Director of Maritime, or his/her designee is required to prepare as a result of the noncompliance with the provisions of paragraph (a), (b) and (c) above.</p>	<p>(I) 05110</p>
<p style="text-align: center;">For explanation of abbreviations and reference marks see Page 10.</p>	
<p>ADOPTED: May 23, 2013</p>	<p>EFFECTIVE: July 1, 2013</p>

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			9 <sup>th</sup> REVISED PAGE 75 Cancels 8 <sup>th</sup> REVISED PAGE 75	
SECTION VI: WHARFAGE, CONTAINERIZED CARGO				
Except as otherwise provided, below are the applicable per TEU rates expressed as dollars per TEU for commodities listed in this subsection.				
RATE BASIS A:		\$ 84.00 PER TEU OR:		
CONTAINER LENGTH IN METERS	0 - 7M (20 - Ft.)	7 - 9 (24 - Ft.)	9 - 13M (40 - Ft.)	Over 13M (45 - Ft.)
PER CONTAINER RATE	\$84.00	\$101.00	\$168.00	\$189.00
Harmonized Chapter Code	COMMODITIES ASSESSED RATE BASIS A:			TARIFF ITEM NO.
(12)	Animal Feed and Miscellaneous Grains, viz: Hay, N.O.S. baled, pelletized or cubed, used for animal feed; oilseeds; safflower seed; rapeseed; castor seed			(I) 06200
(25)	Borates: Borax			
(28)	Boric Acid			
(10)	Cereal, viz: Wheat in bags or in bulk; Rice			
(Item 06200 continued on next page)				
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			10 <sup>th</sup> REVISED PAGE 76 Cancels 9 <sup>th</sup> REVISED PAGE 76	
SECTION VI: WHARFAGE, CONTAINERIZED CARGO				
Except as otherwise provided, below are the applicable per TEU rates expressed as dollars per TEU for commodities listed in this subsection.				
RATE BASIS A: <span style="float: right;">\$ 84.00 PER TEU OR:</span>				
CONTAINER LENGTH IN METERS	0 - 7M (20 - Ft.)	7 - 9M (24 - Ft.)	9 - 13M (40 - Ft)	Over 13M (45 - Ft)
PER CONTAINER RATE	\$84.00	\$101.00	\$168.00	\$189.00
Harmonized Chapter Code	COMMODITIES ASSESSED RATE BASIS A:			TARIFF ITEM NO.
(27)	Coal			
(18)	Cocoa Beans			
(09)	Coffee, green, in bags			
(27)	Coke			
(52)	Cotton, viz: Cotton or cotton Linters, baled			(I) 06200
(07)	Dried Leguminous Vegetables, viz: Beans, peas, lentils			
(Item 06200 continued on next page)				
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			10 <sup>th</sup> REVISED PAGE 77 Cancels 9 <sup>th</sup> REVISED PAGE 77	
SECTION VI: WHARFAGE, CONTAINERIZED CARGO				
Except as otherwise provided, below are the applicable per TEU rates expressed as dollars per TEU for commodities listed in this subsection.				
RATE BASIS A: <span style="float:right">\$ 84.00 PER TEU OR:</span>				
CONTAINER LENGTH IN METERS	0 - 7M (20 - Ft.)	7 - 9M (24 - Ft.)	9 - 13M (40 - Ft.)	Over 13M (45 - Ft.)
PER CONTAINER RATE	\$84.00	\$101.00	\$168.00	\$189.00
Harmonized Chapter Code	COMMODITIES ASSESSED RATE BASIS A:			TARIFF ITEM NO.
(25)	Earths, stone and similar products, viz: Asbestos, crude, concrete, bricks, stones, diatomaceous Earth, tiles (asphalt, ceramic, composition, marble), magnesite (magnesium oxide), asphalt, gilsonite (uintaite), granite and clay			(I) 06200
(31)	Fertilizer or fertilizing materials, N.O.S.			
(20)	Food and Food Preparations for Human Consumption, viz: Fresh/Frozen, including: fish, shellfish, meat, poultry, fruits and vegetables			
(08)	Fruit, dried, including nuts			
(Items 06200 continued on next page)				
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	



**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			9 <sup>th</sup> REVISED PAGE 78 Cancels 8 <sup>th</sup> REVISED PAGE 78	
SECTION VI: WHARFAGE, CONTAINERIZED CARGO				
Except as otherwise provided, below are the applicable per TEU rates expressed as dollars per TEU for commodities listed in this subsection.				
RATE BASIS A:		\$ 84.00 PER TEU OR:		
CONTAINER LENGTH IN METERS	0 - 7M (20 - Ft.)	7 - 9M (24 - Ft.)	9 - 13M (40 - Ft.)	Over 13M (45 - Ft.)
PER CONTAINER RATE	\$84.00	\$101.00	\$168.00	\$189.00
Harmonized Chapter Code	COMMODITIES ASSESSED RATE BASIS A:			TARIFF ITEM NO.
(20)	Fruit, tropical, N.O.S., viz: Canned or preserved, including juice or concentrate with or without other ingredients			(I) 06200
(11)	Grains for Human Consumption, viz: Cereal grains; corn; oats			
(41)	Hides and skins: Raw, undressed, N.O.S.			
	Household goods or personal effects, N.O.S., used, not new, packed in containers or lift vans suitable for forklift loading and handling (includes private vehicles in mixed container loads with person effects) in the domestic trade only			
(Items 06200 continued on next page)				
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		10 <sup>th</sup> REVISED PAGE 79 Cancels 9 <sup>th</sup> REVISED PAGE 79		
SECTION VI: WHARFAGE, CONTAINERIZED CARGO				
Except as otherwise provided, below are the applicable per TEU rates expressed as dollars per TEU for commodities listed in this subsection.				
RATE BASIS A:		\$ 84.00 PER TEU OR:		
CONTAINER LENGTH IN METERS	0 - 7M (20 - Ft.)	7 - 9M (24 - Ft.)	9 - 13M (40 - Ft.)	Over 13M (45 - Ft.)
PER CONTAINER RATE	\$84.00	\$101.00	\$168.00	\$189.00
Harmonized Chapter Code	COMMODITIES ASSESSED RATE BASIS A:			TARIFF ITEM NO.
(44)	Lumber and Forest Products, in the rough, viz: Hardwood and softwood, burls, untreated, including: Poles, piles, posts, pulpwood, sawlogs, ties, veneer logs, woodchips, woodpulp, woodsticks.			
(44)	Lumber and Forest Products: Sawn, viz: Lumber, sawn, loose or in bundles; Sawn building lumber(Subject to Note 1)			(I) 06200
	Note 1: Timber, sawn (Pinus Radiata), inbound only in 40 foot containers...\$137.00 per 40 foot container.			
(72)	Metals and Manufactures thereof: Articles, loose, in bundles coils or packages, viz: Angles, bars, beams, billets, blanks, blisters, blooms, bolts, bridge sections, cans, aluminum, new, empty, channels, finished or unfinished fabricated structures, foil, aluminum, ingots, nails, nuts, pigs, pilings, pipe, plate, rails, rods, screws, sheets, slabs, structures, tie plates, tin plate, unfinished shapes, washers and wire, including barbed wire, scrap metal, N.O.S., includes scrap batteries (Subject to Note 1)			
	Note 1: OCP Rate \$ 73.00 Per TEU or:			
	0 - 7M	\$ 73.00		
	7 - 9M	\$ 88.00		
	9 - 13M	\$146.00		
	Over 13M	\$164.00		
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		10 <sup>th</sup> REVISED PAGE 80 Cancels 9 <sup>th</sup> REVISED PAGE 80		
SECTION VI: WHARFAGE, CONTAINERIZED CARGO				
Except as otherwise provided, below are the applicable per TEU rates expressed as dollars per TEU for commodities listed in this subsection.				
RATE BASIS A:		\$ 84.00 PER TEU OR:		
CONTAINER LENGTH IN METERS	0 - 7M (20 - Ft.)	7 - 9M (24 - Ft.)	9 - 13M (40 - Ft)	Over 13M (45 - Ft)
PER CONTAINER RATE	\$84.00	\$101.00	\$168.00	\$189.00
Harmonized Chapter Code	COMMODITIES ASSESSED RATE BASIS A:			TARIFF ITEM NO.
(60)	Nursery stock, live; including plants, trees, bulbs and root systems, under temperature control			
(48)	Paper and Paper Products, in rolls only viz: Boxboard, cardboard, kraftboard, linerboard, newsprint, paperboard, sacking paper			(I) 06200
(98)	Racks, KD, empty viz: Used automobile parts racks or engine racks being returned to origin in 40 foot containers.....\$137.00 per 40 foot container.  United States Mail			
(39)	Waste and Scrap of Plastic			
(47)	Waste Paper and Scrap Paper, N.O.S.			
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013		

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			9 <sup>th</sup> REVISED PAGE 81 Cancels 8 <sup>th</sup> REVISED PAGE 81	
SECTION VI: WHARFAGE, CONTAINERIZED CARGO				
Except as otherwise provided, below are the applicable per TEU rates expressed as dollars per TEU for commodities listed in this subsection.				
Cargo Not Otherwise Specified			\$142.00 PER TEU or:	
CONTAINER LENGTH IN METERS	0 - 7M (20 - Ft.)	7 - 9M (24 - Ft.)	9 - 13M (40 - Ft.)	Over 13M (45 - Ft.)
PER CONTAINER RATE	\$142.00	\$170.00	\$284.00	\$320.00
				TARIFF ITEM NO.
Cargo, N.O.S.:	Containerized (includes vessel stores and supplies as well as containerized loads of mixed commodities)			(I) 06400
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

Correction No. 690

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		16 <sup>th</sup> REVISED PAGE 94 Cancels 15 <sup>th</sup> REVISED PAGE 94
SECTION VI: WHARFAGE, CONTAINERIZED CARGO		
Except as otherwise provided for in the tariff, the following commodities when carried in containers, will be assessed the following applicable rates as specified.		
Harmonized Chapter Code	COMMODITIES	Tariff Item No.
(87)	Vehicles, viz: Automobiles, pickup trucks or chassis, pleasure, non-commercial not to exceed ten (10) passengers per vehicle, SU, on wheels:  \$ 73.00.....Per Container	(I) 06900
(87)	Commercial vehicles: Wheeled or tracked, including chassis, freight trailers, lift-trucks, agricultural, earth moving, or road making equipment  \$ 124.00.....Per Teu; or:  <u>Container Size</u>  0 - 7M        \$ 124.00 7 - 9M        \$ 149.00 9 - 13M      \$ 248.00 Over 13M     \$ 279.00	(I) 06902
(87)	Vans, containers; empty, as described in Item 01145  \$9.70.....Per Teu	(I) 06903
For explanation of abbreviations and reference marks see Page 10.		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

Correction No. 691

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		8 <sup>th</sup> REVISED PAGE 95 Cancels 7 <sup>th</sup> REVISED PAGE 95	
<b>SECTION VII: WHARFAGE, NON-CONTAINERIZED CARGO</b>			
Except as otherwise provided, below are the applicable non-containerized cargo rates which will be assessed in cents per 1,000 kilograms or cubic meter as specified in the applicable items below; or according to vessel's manifest, on whichever basis water freight charges are assessed.			
COMMODITY DESCRIPTION	RATE BASIS	RATE	ITEM NO.
Livestock, viz: (Subject to Notes 1, 2 and 3)  Colts and calves, under one year	Per Head	308	(I) 07010
Hogs, sheep and goats	Per Head	179	(I) 07012
Cattle, horses, mules, donkeys, ponies and all other animals	Per Head	550	(I) 07014
<p>Note 1: The acceptance for handling of livestock shall be subject to special arrangements with terminal operator aid governed by rules and regulations of the Federal, State and local authorities.</p> <p>Note 2: Feed or livestock in transit will be subject to wharfage and other charges.</p> <p>Note 3: Rates also apply when in containers.</p>			
Dried leguminous vegetables, in bulk, viz: Beans, peas, lentils	--	214	(I) 07070
Coffee, green, in bags	WT	583	(I) 07090
Grain or grain products, N.O.S., in bulk	--	214	(I) 07110
Miscellaneous grains, in bulk, viz: Copra; cottonseed; feed; safflower seeds; seeds; Soy beans	--	214	(I) 07120
Water, for use of vessel	WT	28	(I) 07220
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		8 <sup>th</sup> REVISED PAGE 96 Cancels 7 <sup>th</sup> REVISED PAGE 96	
<b>SECTION VII: WHARFAGE, NON-CONTAINERIZED CARGO</b>			
Except as otherwise provided, below are the applicable non-containerized cargo rates which will be assessed in cents per 1,000 kilograms or cubic meter as specified in the applicable items below; or according to vessel's manifest, on whichever basis water freight charges are assessed.			
COMMODITY DESCRIPTION	RATE BASIS	RATE	ITEM NO.
Residues and waste from the food industries; prepared animal feed (fodder) viz:  Alfalfa or Beet Pulp pellets	--	214	(I) 07230
Petroleum and petroleum by-products, viz:  Bunker fuel, for use of vessel to which initially delivered:  From barge to Vessel	WT	76	(I) 07270
From car or truck to vessel	WT	139	(I) 07272
Petroleum or petroleum products, in bulk from barge to vessel, or handled through pipeline	--	121	(I) 07274
Lumber and Forest Products:  Hardwood: including Ash, Hickory, Oak and Mahogany (See Notes 1 & 2)	Per 1,000 Ft. B.M. Scribner	999	(I) 07440
Softwood; including cedar, fir, pine, redwood and spruce (See Notes 1 & 2)	Per 1,000 Ft. B.M. Scribner	835	(I) 07442
Coastwise only (See Notes 1 & 2)	Per 1,000 Ft. B.M. Scribner	431	(I) 07444
Timber, sawn (pinus radiata), Inbound only	CUM	292	(I) 07445
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A	11 <sup>th</sup> REVISED PAGE 97 Cancels 10 <sup>th</sup> REVISED PAGE 97		
<b>SECTION VII: WHARFAGE, NON-CONTAINERIZED CARGO</b>			
Except as otherwise provided, below are the applicable non-containerized cargo rates which will be assessed in cents per 1,000 kilograms or cubic meter as specified in the applicable items below; or according to vessel's manifest, on whichever basis water freight charges are assessed.			
<b>COMMODITY DESCRIPTION</b>	<b>RATE BASIS</b>	<b>RATE</b>	<b>ITEM NO.</b>
Note 1: When freighted by vessel on other than a B.M. basis, Item 07996 will apply.  Note 2: The same rate will apply whether articles are discharged or loaded overside vessel directly to or from the water in any slip, dock, basin or canal.			
Piles and Poles	Per Lineal Meter	41	(I) 07446
Wood and Wood Products, N.O.S.	--	583	(I) 07448
Paper and Paper Products, N.O.S., not in Containers	--	583	(I) 07480
Metals and manufactures thereof (Subject to minimum charge as indicated below): Articles, loose, in bundles, coils, or packages viz:  Angles; bars; beams; billets; blanks; blisters; blooms; bolts; bridge sections; channels; finished or unfinished fabricated structures; ingots; nails; nuts; pigs; pilings; pipe; plate; rails; rods; screws; sheets; slabs; structures; tie plates; tin plate; unfinished shapes; washers and wire; including barbed wire; Local..... OCP.....			
	WT	560	(I) 07720
	WT	476	07721
Minimum Charge:	For wharfage assessed on angles, bars, beams, channels, pipe and plate (excluding coils or plate packaged as rolled coils).		(I) \$112.00
		Per Bill of Lading	
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	



THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		11 <sup>th</sup> REVISED PAGE 98 Cancels 10 <sup>th</sup> REVISED PAGE 98	
SECTION VII: WHARFAGE, NON-CONTAINERIZED CARGO			
Except as otherwise provided, below are the applicable non-containerized cargo rates which will be assessed in cents per 1,000 kilograms or cubic meter as specified in the applicable items below; or according to vessel's manifest, on whichever basis water freight charges are assessed.			
COMMODITY DESCRIPTION	RATE BASIS	RATE	ITEM NO.
Scrap, N.O.S.	WT	185	(I) 07722
Steel Coils, viz: Minimum 1,000 tons, one consignor, one vessel	WT	505	(I) 07724
Wire rod, steel; in bundles or coils, minimum 500 tons one vessel, one Consignor, one Consignee	WT	533	(I) 07728
Empty drums, used, returning (including pallets incidental to empty drums) in the Hawaiian trade only. Does not apply to Coastwise, Inland Waterway nor Intercoastal Trade. (Rate also applies when in containers)	WT	1318	(I) 07730
Aluminum Foil	WT	560	(I) 07760
Local.....	WT	476	07761
OCP.....			
Vehicles, engines or motor, self-propelling Viz: Automobiles, pleasure, passenger, including pickup truck or chassis; not to exceed ten passengers per vehicle, not boxed, not crated, SU, on wheels	Per Vehicle	\$25.80	(I) 07870
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		14 <sup>th</sup> REVISED PAGE 99 Cancels 13 <sup>th</sup> REVISED PAGE 99	
SECTION VII: WHARFAGE, NON-CONTAINERIZED CARGO			
Except as otherwise provided, below are the applicable non-containerized cargo rates which will be assessed in cents per 1,000 kilograms or cubic meter as specified in the applicable items below; or according to vessel's manifest, on whichever basis water freight charges are assessed.			
COMMODITY DESCRIPTION	RATE BASIS	RATE	ITEM NO.
Commercial, wheeled or tracked; including chassis, freight trailers, lift trucks, agricultural, earthmoving or road-making equipment. Does not include parts not attached to vehicle.	WT	1704	(I) 07876
Vehicles, other than self propelling; viz: Trailers, house or vacation; home, SU; Empty, with or without wheels	CUM	449	(I) 07878
Boats, including launches, skiffs and yachts. When shipped in cradles or on trailers, the dimension of cradle or trailer shall be included in the overall measurement. (Rate also applies when in containers)	CUM	376	(I) 07890
Buildings, building modules and other units designed for general warehouse-type storage; other than KD; empty, moving in units of 10 or more per vessel. Units to be equipped with corner castings and be capable of being loaded and discharged by shoreside container gantry cranes.			
<u>Unit Overall Length</u> 0 to 7 Meters Over 7 Meters	Per Unit	\$84.00 \$168.00	(I) 07940 07942
NOTE: With prior written request and Executive Director approval, prototype units moving in smaller quantities may be subject to the rates listed in Items 07940 through 07942.			
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A	9 <sup>th</sup> REVISED PAGE 100 Cancels 8 <sup>th</sup> REVISED PAGE 100		
<b>SECTION VII: WHARFAGE, NON-CONTAINERIZED CARGO</b>			
Except as otherwise provided, below are the applicable non-containerized cargo rates which will be assessed in cents per 1,000 kilograms or cubic meter as specified in the applicable items below; or according to vessel's manifest, on whichever basis water freight charges are assessed.			
COMMODITY DESCRIPTION	RATE BASIS	RATE	ITEM NO.
Household goods and personal effects (Used, not for resale)	WT	2242	(I) 07990
United States Mail	WT	1026	(I) 07992
Liquids, N.O.S.; from or to vessel Direct or through pipeline	--	146	(I) 07994
Cargo, N.O.S. (including vessel stores and supplies)	--	583	(I) 07996
Coastwise .....	--	505	07997.1
Cargo N.O.S., Bulk .....	--	152	07997.2
Assembled cargo; export only, minimum 1,500 cubic meters per vessel.	CUM	505	(I) 07997.3
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		3 <sup>rd</sup> REVISED PAGE 101 Cancels 2 <sup>nd</sup> REVISED PAGE 101
SECTION VIII-A: WHARF DEMURRAGE RULES AND RATES	ITEM NO.	
<b>APPLICATION OF WHARF DEMURRAGE RATES</b>		
<p>(a) Wharf Demurrage (as defined in Item 01330) rates will be assessed upon expiration of free time, unless and until arrangements for storage have been made with the terminal operator and the Director of Maritime or his/her designee. Free time will be computed in connection with the provisions of Item 08120.</p> <p>(b) Wharf Demurrage will be assessed on a per container basis for containerized cargo.</p> <p>(c) Non-Containerized Cargo will be assessed Wharf Demurrage in cents per ton of 1,000 kilograms; or 1 cubic meter, as provided for in Item 08150.</p> <p>(d) Wharf Demurrage rates will apply for a 24-hour period, or fraction thereof commencing with midnight of one day, to the midnight of the following day. It includes Saturdays, Sundays and Holidays.</p> <p>(e) Wharf Demurrage will be applied in accordance with California Senate Bill 45. <a href="http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb_0001-0050/sb_45_bill_20050818_amended_asm.html">http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb_0001-0050/sb_45_bill_20050818_amended_asm.html</a></p>	(^) 08105	
<b>COMMENCEMENT OF FREE TIME</b>		
<p>(a) On Inbound Cargo:</p> <p style="padding-left: 40px;">(1) At the first 12:01 a.m. after the vessel completes discharging; or leaves the berth, whichever occurs first.</p> <p>(b) On Outbound Cargo:</p> <p style="padding-left: 40px;">(1) At the first 12:01 a.m. after the cargo is placed on a wharf or wharf premises.</p> <p>(c) The days during the loading or discharging operations of the vessel shall not be counted as wharf demurrage days on cargo actually loaded to or discharged from such vessels.</p> <p>(d) Free time terminates at midnight of the final day of the free time period described in Item 08120 or upon removal of cargo from the wharf premises, whichever occurs first.</p>	08110	
<p>For explanation of abbreviations and reference marks see Page 10.</p>		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		8 <sup>th</sup> REVISED PAGE 104 Cancels 7 <sup>th</sup> REVISED PAGE 104	
SECTION VIII-A: WHARF DEMURRAGE RULES AND RATES			ITEM NO.
WHARF DEMURRAGE - MINIMUM CHARGE			
The minimum charge for Wharf Demurrage will be \$27.50 per invoice issued.			(I) 08140
PER CONTAINER WHARF DEMURRAGE RATES			
Wharf Demurrage Rates on a per-container basis are assessed on a daily basis including Saturdays, Sundays and Holidays as noted below:			
CONTAINER OUTSIDE LENGTH		DEMURRAGE	
METERS		CHARGE PER DAY FOR THE FIRST FIVE DAYS OR FRACTION THEREOF	CHARGE PER DAY FOR EACH ADDITIONAL DAY OR FRACTION THEREOF
OVER	BUT NOT OVER		
0	7	\$19.30	\$38.60
7	9	21.40	42.70
9	11.9	31.50	63.10
11.9	13	35.60	67.10
13	Over	44.70	89.50
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

Correction No. 699

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		9 <sup>th</sup> REVISED PAGE 105 Cancels 8 <sup>th</sup> REVISED PAGE 105
SECTION VIII-A: WHARF DEMURRAGE RULES AND RATES		ITEM NO.
NON-CONTAINERIZED AND BREAKBULK CARGO DEMURRAGE RATES		
Wharf Demurrage Charges on cargo not in containers will be assessed on a daily basis including Saturdays, Sundays and Holidays as noted below:		
NON-CONTAINERIZED WHARF DEMURRAGE RATES		
In cents per ton of 1,000 kilograms or 1 cubic meter, on the same basis as wharfage is assessed (including Saturdays, Sundays and Holidays)		
COMMODITY	CHARGE PER DAY FOR FIRST 5 DAYS OR FRACTION THEREOF	CHARGE PER DAY FOR EACH ADDITIONAL DAY OR FRACTION THEREOF
Cargo, N.O.S.	51.90	105.80
Beans, cocoa, in bags	47.80	96.60
Coffee, green, in bags	47.80	96.60
Lumber, per 1,000 feet B.M. or fraction thereof	51.90	105.80
Vehicles, motor, on wheels or treads, as described in Items 06900 through 06902 and motor- cycles.	146.50	291.90
(I) 08150		
For explanation of abbreviations and reference marks see Page 10.		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

Correction No. 700

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		8 <sup>th</sup> REVISED PAGE 109 Cancels 7 <sup>th</sup> REVISED PAGE 109
SECTION VIII-B: WHARF STORAGE - RULES AND RATES	ITEM NO.	
RETENTION OF TERMINAL CHARGES		
<p>(a) basis to the Port, accompanied by written reports approved by or provided by the Director of Maritime, or his/her designee. Said monthly payments and written reports shall be received no later than 30 days succeeding the month being reported. In return for the cost of providing such service in the timely manner described above, a sum equal to ten percent (10%) of all wharf demurrage and wharf storage charges collected may be retained by the assignee.</p> <p>(b) The amounts collected under this item shall be subject to Item 02130, Terms and Conditions of Payment; Item 02135, Payment of Charges; and Item 02140, Delinquency and Penalties.</p>	(^) 08170	
WHARF STORAGE - MINIMUM CHARGES		
<p>1. Daily Storage Basis:</p> <p>When stored for a period of 4 days or less, a minimum of 5 days storage will be assessed on basis of Item 08180 or Items 08185 through 08350; but in no case less than \$26.40 for each invoice issued, per month or fraction thereof.</p> <p>2. Monthly Storage:</p> <p>The minimum charge will be \$29.50 for each invoice issued per month or fraction thereof.</p>	(I) 08175	
For explanation of abbreviations and reference marks see Page 10.		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			8 <sup>th</sup> REVISED PAGE 110 Cancels 7 <sup>th</sup> REVISED PAGE 110	
SECTION VIII-B: WHARF STORAGE - RULES AND RATES				ITEM NO.
PER CONTAINER WHARF STORAGE RATES				
Wharf storage rates on a per-container basis are assessed either on a daily basis including Saturdays, Sundays and Holidays; or on a monthly basis, as noted below:				
CONTAINER OUTSIDE LENGTH		STORAGE		
METERS		DAILY STORAGE RATE (Per day or fraction thereof)	MONTHLY STORAGE (Per month or fraction thereof)	
OVER	BUT NOT OVER			(I) 08180
0	7	\$9.70	\$111.90	
7	9	10.70	132.20	
9	11.9	14.20	186.10	
11.9	13	15.30	206.50	
13	Over	19.30	281.70	
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

Correction No. 702



**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			9 <sup>th</sup> REVISED PAGE 111 Cancels 8 <sup>th</sup> REVISED PAGE 111	
SECTION VIII-B: WHARF STORAGE - RULES AND RATES				ITEM NO.
WHARF STORAGE RATES FOR NON-CONTAINERIZED CARGO				
(In cents per ton of 1,000 kilograms except as specifically noted below)				
Column A: Rates are for each of the first 15 calendar days after free time.				
Column B: Rates are for each of the next consecutive 30 calendar days.				
Column C: Monthly Storage: After the 1st consecutive 30 days, upon application and acceptance, the Director of Maritime, or his/her designee, and the terminal operator may grant monthly storage rates, subject to space availability. Monthly storage rates, apply per month or fraction thereof.				
COMMODITY	COLUMN			
	A	B	C	
Cargo, In Bond When accepted for storage on terminal, daily storage rates apply, plus the percentage in Column A.  Note: Charges made by Collector of Customs for deliveries from bonded section of terminal is for account of the cargo to which service is rendered.	50%		n/a	08185
Cargo N.O.S., per 1,000 kilograms or 1 CUM whichever produces the greater revenue.	13.20	24.40	431.20	(I) 08190
Cargo, N.O.S. when held in uncovered areas: Applies when outside uncovered storage is requested by shipper or consignee. Will not apply when commodity rates are specifically named for either covered or uncovered storage, per 1,000 kilograms or 1 CUM, whichever produces the greater revenue.	8.10	15.30	341.70	(I) 08195
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

Correction No. 703

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				10 <sup>th</sup> REVISED PAGE 112 Cancels 9 <sup>th</sup> REVISED PAGE 112	
SECTION VIII-B: WHARF STORAGE - RULES AND RATES					ITEM NO.
WHARF STORAGE RATES FOR NON-CONTAINERIZED CARGO					
(In cents per ton of 1,000 kilograms except as specifically noted below)					
Column A: Rates are for each of the first 15 calendar days after free time.					
Column B: Rates are for each of the next consecutive 30 calendar days.					
Column C: Monthly Storage: After the 1st consecutive 30 days, upon application and acceptance, the Director of Maritime, or his/her designee, and the terminal operator may grant monthly storage rates, subject to space availability. Monthly storage rates, apply per month or fraction thereof.					
COMMODITY	COLUMN				
	A	B	C		
Beans, cocoa, in bags	8.10	15.30	285.80		(I) 08203
Coffee, green, in bags	8.10	15.30	285.80		08205
Iron or steel articles, NOS, including Metals, pipe, tin plate, wire or strapping	8.10	15.30	280.70		(I) 08225

For explanation of abbreviations and reference marks see Page 10.

ADOPTED: May 23, 2013

EFFECTIVE: July 1, 2013

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				9 <sup>th</sup> REVISED PAGE 113 Cancels 8 <sup>th</sup> REVISED PAGE 113
SECTION VIII-B: WHARF STORAGE - RULES AND RATES				ITEM NO.
WHARF STORAGE RATES FOR NON-CONTAINERIZED CARGO				
<p>(In cents per ton of 1,000 kilograms except as specifically noted below)</p> <p>Column A: Rates are for each of the first 15 calendar days after free time.</p> <p>Column B: Rates are for each of the next consecutive 30 calendar days.</p> <p>Column C: Monthly Storage: After the 1st consecutive 30 days, upon application and acceptance, the Director of Maritime, or his/her designee, and the terminal operator may grant monthly storage rates, subject to space availability. Monthly storage rates, apply per month or fraction thereof.</p>				
COMMODITY	COLUMN			
	A	B	C	
Paper and paper articles:				
Newsprint, in rolls.....	8.10	13.20	207.50	(I) 08270
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			9 <sup>th</sup> REVISED PAGE 114 Cancels 8 <sup>th</sup> REVISED PAGE 114		
SECTION VIII-B: WHARF STORAGE - RULES AND RATES					ITEM NO.
WHARF STORAGE RATES FOR NON-CONTAINERIZED CARGO					
<p>(In cents per ton of 1,000 kilograms except as specifically noted below)</p> <p>Column A: Rates are for each of the first 15 calendar days after free time.</p> <p>Column B: Rates are for each of the next consecutive 30 calendar days.</p> <p>Column C: Monthly Storage: After the 1st consecutive 30 days, upon application and acceptance, the Director of Maritime, or his/her designee, and the terminal operator may grant monthly storage rates, subject to space availability. Monthly storage rates, apply per month or fraction thereof.</p>					
COMMODITY		COLUMN			
		A	B	C	
Vehicles, motor, on wheels not boxed (as described in Items 07870) per unit basis:					
(a)	When stored in closed areas	89.50	173.90	3453.70	(I) 08325
(b)	When stored in open areas, on terminal, per vehicle	44.70	89.50	n/a	(I) 08330
(c)	When stored in open areas, off terminal, per vehicle	34.60	62.00	n/a	(I) 08335
<p>For explanation of abbreviations and reference marks see Page 10.</p>					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

Correction No. 706

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			9 <sup>th</sup> REVISED PAGE 115 Cancels 8 <sup>th</sup> REVISED PAGE 115	
SECTION VIII-B: WHARF STORAGE - RULES AND RATES				ITEM NO.
WHARF STORAGE RATES FOR NON-CONTAINERIZED CARGO				
(In cents per ton of 1,000 kilograms except as specifically noted below)  Column A: Rates are for each of the first 15 calendar days after free time.  Column B: Rates are for each of the next consecutive 30 calendar days.  Column C: Monthly Storage: After the 1st consecutive 30 days, upon application and acceptance, the Director of Maritime, or his/her designee, and the terminal operator may grant monthly storage rates, subject to space availability. Monthly storage rates, apply per month or fraction thereof.				
COMMODITY	COLUMN			
	A	B	C	
Yachts and small boats -- applicable to Intercoastal Trade Only:				
For the first 14 days after the expiration of free time .....	37.60	73.20	n/a	(I) 08345
For each day exceeding 14 calendar days after the expiration of free time.....	37.60	73.20	n/a	(I) 08350
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		5 <sup>th</sup> REVISED PAGE 123 Cancels 4 <sup>th</sup> REVISED PAGE 123
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES	ITEM NO.	
GENERAL CRANE RENTALS RULES AND CONDITIONS		
(a) Charges are for the use of the cranes only. Crane rental rates for containerized cargo shall be assessed in accordance with Tariff Items 09130 through 09165. Breakbulk cargo, defined in Item 01120 which requires use of container gantry cranes, shall be assessed crane rental on the basis of \$ 353.00 per load lifted, Wharfage, dockage and other tariff charges are in addition to the charges named herein.		
(b) For general rules and regulations regarding use of equipment refer to Tariff Item 02205.	(I) 09125	
(c) Except as specifically provided in this tariff section, crane rental is billed by and directly payable to the Port.		
(d) Except as specifically provided in this tariff section, electrical power furnished to Preferential Terminal Operations by Pacific Gas and Electric Company (PG&E) will be billed by PG&E directly to each Preferential Terminal Operator. The Preferential Terminal Operator will pay PG&E directly for subject power service.		
(e) In return for providing maintenance, repair and power for the crane when used in the Preferential Crane Assignee's terminal area, the Preferential Crane Assignee may retain the maintenance, repair and power charges for said crane(s).		
(f) In the event the crane is used by a Secondary Assignee on the Preferential Crane Assignee's terminal area, the maintenance, repairs and power charges to the extent provided in this tariff will be billed by and are directly payable to the Preferential Crane Assignee.		
(g) In the event the crane is used outside of the Preferential Crane Assignee's terminal area:		
(1) The power will be billed to the user of the crane, and paid directly to, the Preferential Terminal Operator of the facility at which the crane was used at the power rate for that crane as noted in this tariff.		
(Item 09125 continued on Next Page)		
For explanation of abbreviations and reference marks see Page 10.		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				11 <sup>th</sup> REVISED PAGE 125 Cancels 10 <sup>th</sup> REVISED PAGE 125	
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES					
TRAVELING GANTRY CRANE RENTAL RATES					
TERMINAL LOCATION: BERTHS 20, 21 & 22					ITEM NO.
PORT CRANE NO.	X-402	X-403	X-404	This space intentionally left blank	(I) 09130
TYPE	PACECO	PACECO	PACECO		
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU		
Basic Rental:	\$ 14.14	\$ 14.14	\$ 14.14		
Additional: Maintenance & Repair : Power:	\$ 3.20 \$ .51	\$ 3.20 \$ .51	\$ 3.20 \$ .51		
Total Rental:	\$ 17.85	\$ 17.85	\$ 17.85		
Subject to Notes:	1, 2, 3 & 4	1, 2, 3, 4 & 5	1, 2, 3, 4 & 5		
<p>NOTE 1: This is an electric powered traveling gantry-type container crane.</p> <p>NOTE 2: Rated capacity under the spreader of this crane is not to exceed 30,482 kg.</p> <p>NOTE 3: This crane can be used at Berths 20, 21 and 22.</p> <p>NOTE 4: Secondary user shall reimburse the Preferential Assignee for the actual cost incurred in providing a crane operator subject to a minimum of eight hours per shift employed.</p> <p>NOTE 5: Subject to Item 11115: Crane Transfer System Charge, when crane is used at Berth 22 for Secondary Use.</p>					
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

Correction No. 709

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			10 <sup>th</sup> REVISED PAGE 127 Cancels 9 <sup>th</sup> REVISED PAGE 127	
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES				
TRAVELING GANTRY CRANE RENTAL RATES				
TERMINAL LOCATION: BERTH 23				ITEM NO.
PORT CRANE NO.	X-438	X-439	This space intentionally left blank	(I) 09140
TYPE	ZPMC	ZPMC		
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU		
Basic Rental:	\$ 12.97	\$ 12.97		
Additional: Maintenance & Repair: Power:	\$ 3.56 \$ .71	\$ 3.56 \$ .71		
Total Rental:	\$ 17.24	\$ 17.24		
Subject to Notes:	1, 2, 3, 4 & 5	1, 2, 3, 4 & 5		
<p>NOTE 1: This is an electric powered traveling gantry-type container crane.</p> <p>NOTE 2: Rated capacity under the spreader of this crane is not to exceed 50,800 kg.</p> <p>NOTE 3: This crane is capable of twin lift.</p> <p>NOTE 4: This crane can be used at Berths 23, 24, 25 and 26.</p> <p>NOTE 5: Electrical power for these cranes will be provided by Pacific Gas &amp; Electric Co. to the Port of Oakland and billed by the Port directly to the Preferential Terminal Operator.</p>				
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

Correction No. 710



**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			12 <sup>th</sup> REVISED PAGE 128 Cancels 11 <sup>th</sup> REVISED PAGE 128	
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES				
TRAVELING GANTRY CRANE RENTAL RATES				
TERMINAL LOCATION: BERTH 24				ITEM NO.
PORT CRANE NO.	X-409	X-410		This space inten- tionally left blank  (I) 09145
TYPE	KSEC	KSEC		
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU		
Basic Rental:	\$ 12.66	\$ 12.66		
Additional: Maintenance & Repair: Power:	\$ 3.56 \$ .71	\$ 3.56 \$ .71		
Total Rental:	\$ 16.93	\$ 16.93		
Subject to Notes:	1, 2, 3 & 4	1, 2, 3 & 4		
NOTE 1: This is an electric powered traveling gantry-type container crane.				
NOTE 2: Rated capacity under the spreader of this crane is not to exceed 50,800 kg.				
NOTE 3: This crane can be used at Berths 23, 24, 25 and 26.				
NOTE 4: Electrical power for these cranes will be provided by Pacific Gas & Electric Co. to the Port of Oakland and billed by the Port directly to the Preferential Terminal Operator.				
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

Correction No. 711

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A			12 <sup>th</sup> REVISED PAGE 129 Cancels 11 <sup>th</sup> REVISED PAGE 129
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES			
TRAVELING GANTRY CRANE RENTAL RATES			
TERMINAL LOCATION: BERTHS 25 - 26			ITEM NO.
PORT CRANE NO.	X-434	X-435	X-C40
TYPE	ZPMC	ZPMC	ZPMC
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU
Basic Rental:	\$ 14.54	\$ 14.54	\$ 15.66
Additional: Maintenance & Repair: Power:	\$ 3.56 \$.71	\$ 3.56 \$.71	\$ 3.56 \$.71
Total Rental:	\$ 18.81	\$ 18.81	\$ 19.93
Subject to Notes:	1, 2, 3 & 4	1, 2, 3 & 4	1, 2, 3 & 4
NOTE 1: This is an electric powered traveling gantry-type container crane.			
NOTE 2: Rated capacity under the spreader of this crane is not to exceed 66,040 kg.			
NOTE 3: This crane can be used at Berths 23, 24, 25 and 26.			
NOTE 4: Electrical power for these cranes will be provided and billed by the Port.			
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

Correction No. 712

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A					8 <sup>th</sup> REVISED PAGE 130 Cancels 7 <sup>th</sup> REVISED PAGE 130
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES					
TRAVELING GANTRY CRANE RENTAL RATES					
TERMINAL LOCATION: BERTH 30 - 33					ITEM NO.
PORT CRANE NO.	X-430	X-431	X-433	X-C41	(I) 09152
TYPE	MITSUI PACECO	MITSUI PACECO	PACECO	ZPMC	
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	
Basic Rental	\$ 12.97	\$ 12.97	\$ 12.97	\$ 15.66	
Additional: Maintenance & Repair: Power:	\$ 3.51 \$ .71	\$ 3.51 \$ .71	\$ 3.51 \$ .71	\$ 3.56 \$ .71	
Total Rental	\$ 17.19	\$ 17.19	\$ 17.19	\$ 19.93	
Subject to Notes:	1, 2 & 3	1, 2 & 3	1, 2 & 3	1, 2 & 3	
<p>NOTE 1: This is an electric powered traveling gantry-type container crane.</p> <p>NOTE 2: Rated capacity under the spreader of this crane is not to exceed 40,600 kg.</p> <p>NOTE 3: This crane can be used only at Berth 30, 32 &amp; 33.</p>					
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

Correction No. 713

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				13 <sup>th</sup> REVISED PAGE 131 Cancels 12 <sup>th</sup> REVISED PAGE 131
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES				
TRAVELING GANTRY CRANE RENTAL RATES				
TERMINAL LOCATION: Berth 35 - 37				ITEM NO.
PORT CRANE NO.	X-C50	X-C51	X-C52	X-437
TYPE	ZPMC	ZPMC	ZPMC	ZPMC
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU
Basic Rental:	\$ 15.66	\$ 15.66	\$ 15.66	\$ 12.92
Additional: Maintenance & Repair:	\$ 3.56	\$ 3.56	\$ 3.56	\$ 3.56
Power:	\$ .71	\$ .71	\$ .71	\$ .71
Total Rental:	\$ 19.93	\$ 19.93	\$ 19.93	\$ 17.19
Subject to Notes:	1, 2 & 3	1, 2 & 3	1, 3 & 3	1 & 3
NOTE 1: This is an electric powered traveling gantry-type container crane.				
NOTE 2: Rated capacity under the spreader of this crane is not to exceed 50,800 kg.				
NOTE 3: This crane can be used at Berth 35 and 37.				
For explanation of abbreviations and reference marks see Page 10.				
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013	

Correction No. 714

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A					9 <sup>th</sup> REVISED PAGE 133 Cancels 8 <sup>th</sup> REVISED PAGE 133
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES					
TRAVELING GANTRY CRANE RENTAL RATES					
TERMINAL LOCATION: Berth 55 - 56					ITEM NO.
PORT CRANE NO.	X-C10	X-C11	X-C12	X-C13	(I) 09163
TYPE	ZPMC	ZPMC	ZPMC	ZPMC	
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	
Basic Rental:	\$ 15.66	\$ 15.66	\$ 15.66	\$ 15.66	
Additional: Maintenance & Repair:	\$ 3.56	\$ 3.56	\$ 3.56	\$ 3.56	
Power:	\$ .71	\$ .71	\$ .71	\$ .71	
Total Rental:	\$ 19.93	\$ 19.93	\$ 19.93	\$ 19.93	
Subject to Notes:	1, 2, 3 & 4	1, 2, 3 & 4	1, 2, 3 & 4	1, 2, 3 & 4	
NOTE 1: This is an electric powered traveling gantry-type container crane.					
NOTE 2: Rated capacity under the spreader of this crane is not to exceed 66,044 kg.					
NOTE 3: This crane is capable of twin lift.					
NOTE 4: Electrical power for these cranes will be provided by and billed by the Port.					
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

Correction No. 715

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A					6 <sup>th</sup> REVISED PAGE 133A Cancels 5 <sup>th</sup> REVISED PAGE 133A
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES					
TRAVELING GANTRY CRANE RENTAL RATES					
TERMINAL LOCATION: BERTHS 57 - 59					ITEM NO.
PORT CRANE NO.	X-C14	X-C15	X-C16	X-C17	(I) 09164
TYPE	ZPMC	ZPMC	ZPMC	ZPMC	
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	
Basic Rental:	\$ 15.66	\$ 15.66	\$ 15.66	\$ 15.66	
Additional: Maintenance & Repair: Power:	\$ 3.56 \$ .71	\$ 3.56 \$ .71	\$ 3.56 \$ .71	\$ 3.56 \$ .71	
Total Rental:	\$ 19.93	\$ 19.93	\$ 19.93	\$ 19.93	
Subject to Notes:	1, 2, 3, & 4	1, 2, 3, & 4	1, 2, 3, & 4	1, 2, 3, & 4	
<p>NOTE 1: This is an electric powered traveling gantry-type container crane.</p> <p>NOTE 2: Rated capacity under the spreader of each crane is not to exceed 60,044 kg.</p> <p>NOTE 3: This crane is capable of twin lift.</p> <p>NOTE 4: Electrical power for these cranes will be provided and billed by the Port.</p>					
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		3 <sup>rd</sup> REVISED PAGE 133B Cancels 2 <sup>nd</sup> REVISED PAGE 133B	
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES			
TRAVELING GANTRY CRANE RENTAL RATES			
TERMINAL LOCATION: BERTHS 57 - 59			ITEM NO.
PORT CRANE NO.	X-C18	X-C19	(I) 09164
TYPE	ZPMC	ZPMC	
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	
Basic Rental:	\$ 15.66	\$ 15.66	
Additional: Maintenance & Repair: Power:	\$ 3.56 \$ .71	\$ 3.56 \$ .71	
Total Rental:	\$ 19.93	\$ 19.93	
Subject to Notes:	1, 2, 3, & 4	1, 2, 3, & 4	
<p>NOTE 1: This is an electric powered traveling gantry-type container crane.</p> <p>NOTE 2: Rated capacity under the spreader of each crane is not to exceed 60,044 kg.</p> <p>NOTE 3: This crane is capable of twin lift.</p> <p>NOTE 4: Electrical power for these cranes will be provided and billed by the Port.</p>			
For explanation of abbreviations and reference marks see Page 10.			
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013	

Correction No. 717

**REMAINING ACTION ITEMS Tab 6.2**

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				2 <sup>nd</sup> REVISED PAGE 133C Cancels 1 <sup>st</sup> REVISED PAGE 133C	
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES					
TRAVELING GANTRY CRANE RENTAL RATES					
TERMINAL LOCATION: BERTHS 60 - 63				ITEM NO.	
PORT CRANE NO.	X-436	X-446	X-447	X-448	(I) 09160
TYPE	NOELL	MITSUBISHI	MITSUBISHI	MITSUBISHI	
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	
Basic Rental:	\$ 14.54	\$ 12.66	\$ 12.66	\$ 12.66	
Additional: Maintenance & Repair: Power:	\$ 3.56 \$ .71	\$ 3.56 \$ .71	\$ 3.56 \$ .71	\$ 3.56 \$ .71	
Total Rental:	\$ 18.81	\$ 16.93	\$ 16.93	\$ 16.93	
Subject to Notes:	1, 3, & 4	1, 2 & 4	1, 2 & 4	1, 2 & 4	
<p>NOTE 1: This is an electric powered traveling gantry-type container crane.</p> <p>NOTE 2: Rated capacity under the spreader of each crane is not to exceed 40,642 kg.</p> <p>NOTE 3: Rated capacity under the spreader of each crane is not to exceed 50,800 kg.</p> <p>NOTE 4: This crane can be used on Berths 60, 61, 62 &amp; 63.</p>					
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

Correction No. 718



THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				12 <sup>th</sup> REVISED PAGE 134 Cancels 11 <sup>th</sup> REVISED PAGE 134	
SECTION IX: CONTAINER CRANE ASSIGNMENT AND RENTAL RATES					
TRAVELING GANTRY CRANE RENTAL RATES					
TERMINAL LOCATION: BERTHS 67 & 68				ITEM NO.	
PORT CRANE NO.	X-415	X-416	X-417	X-422	(I) 09165
TYPE	HITACHI	HITACHI	KSEC	PACECO	
Rental Basis Per Lift:	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	Loaded or Empty TEU	
Basic Rental:	\$ 12.66	\$ 12.66	\$ 12.66	\$ 12.66	
Additional: Maintenance & Repair: Power:	\$ 4.12 \$ .71	\$ 4.12 \$ .71	\$ 4.12 \$ .71	\$ 4.12 \$ .71	
Total Rental:	\$ 17.49	\$ 17.49	\$ 17.49	\$ 17.49	
Subject to Notes:	1, 2, 5 & 6	1, 2, 5 & 6	1, 3, 5, 6 & 7	1, 4 & 6	
<p>NOTE 1: This is an electric powered traveling gantry-type container crane.</p> <p>NOTE 2: Rated capacity under the spreader of each crane is not to exceed 40,640 kg.</p> <p>NOTE 3: Rated capacity under the spreader of each crane is not to exceed 50,800 kg.</p> <p>NOTE 4: Rated capacity under the spreader of each crane is not to exceed 40,600 kg.</p> <p>NOTE 5: This crane is capable of twin lift.</p> <p>NOTE 6: This crane can be used at Berths 67 and 68.</p> <p>NOTE 7: Athwartship capability with maximum lift over dock not to exceed 21.3M.</p>					
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		4 <sup>th</sup> REVISED PAGE 144 Cancels 3 <sup>rd</sup> REVISED PAGE 144
SECTION X - B: SPACE ASSIGNMENTS	ITEM NO.	
APPLICATION OF SPACE ASSIGNMENT RATES		
<p>(a) Except for structural maintenance, a Space Assignment will not include any services, including but not limited to; Central Station Supervisory service for fire or theft protection, security guards, utilities (water, electricity or telephone), relamping of lighting fixtures or any other maintenance of the facility. These and any other services will be at the assignee's sole cost and expense. Upon termination of Space Assignments, the Director of Maritime or his/her designee may require assignee, at their own expense, to restore assigned space to the same condition that existed when the initial assignment was made. Assignee will be liable for the cost of repair and restoration should the Port, at its discretion, proceed to repair and restore assigned space to the condition that existed when the initial assignment was made. (Reasonable wear and tear, damage by fire and the elements, are excluded from provisions of this paragraph (a)).</p> <p>(b) Minimum charge shall be for one month, payable in advance, but no less than \$45.00 per month. Monthly assignment periods shall extend from a date in one calendar month to but not including the same date of the next and all succeeding calendar months, except that if there be no corresponding date in the next succeeding calendar month, the last day of that month shall be used. Charges for the termination month will be prorated on a daily basis.</p> <p>(c) Any charge assessed by the Collector of Customs, in connection with receipts and deliveries from or to Bonded Storage Space is to be paid by the parties for whose account the service is rendered.</p>	(I) 10155	
For explanation of abbreviations and reference marks see Page 10.		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A				11 <sup>th</sup> REVISED PAGE 145 Cancels 10 <sup>th</sup> REVISED PAGE 145	
<b>SECTION X - B: SPACE ASSIGNMENTS</b>					<b>ITEM NO.</b>
<b>SPACE ASSIGNMENT RATES</b>					
Space Assignment rates will be assessed as contained in the following table which designates the types of areas used and assigned; if and as available: (See Item 10155):					
TYPE OF AREA	DOLLARS PER SQUARE FOOT PER MONTH				
	UNPAVED	ROCKED		PAVED	
		Without Lighting or Fencing	With Lighting and Fencing	Without Lighting or Fencing	With Lighting and Fencing
Land	\$.116	\$.143	\$.164	\$.172	\$.214
Warehouse Space and surrounding yard	First Floor Level  \$.34	THIS SPACE LEFT INTENTIONALLY BLANK			
In Bond Storage (See Item 10155)	\$.37				
Office Space N.O.S.	Non-Air Conditioned		Air Conditioned		
	\$1.12		\$1.28		
For explanation of abbreviations and reference marks see Page 10.					
ADOPTED: May 23, 2013			EFFECTIVE: July 1, 2013		

(D)  
(I)  
10160

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		2 <sup>nd</sup> REVISED PAGE 146 Cancels 1 <sup>st</sup> REVISED PAGE 146
SECTION XI: MISCELLANEOUS CHARGES		
(Rates in cents per unit shown below except as otherwise specifically provided)		
DESCRIPTION OF SERVICES RENDERED	RATES	ITEM NO.
<p><b>ELECTRIC CURRENT:</b></p> <p>All electric power provided by the Port shall be subject to the rates and charges established by Port Ordinance No. 3439 as amended from time to time. Port Ordinance No. 3439, as amended, establishes rates and charges that apply to the Port's provision of electric power to any person or entity at any facility within the Port Area (as defined by the Charter of the City of Oakland), in addition to the portion of the Port Area within which exist facilities for the transshipment of cargo from, to and between domestic carriers and/or carriers engaged in coastwide, inter-coastal, or foreign trade.</p>	-	(*) 11105
<p style="text-align: center;"><b>FRESH WATER SERVICE RATES</b></p> <p>Fresh water supplied by the East Bay Municipal Utility District will be assessed charges in accordance with that utility's rate structure. Said rates are subject to change without notification from the Port. Water delivered through pipelines of the Port with billing thereof performed by the Port will also be assessed a service charge of fifteen percent (15%) of the cost of such water (see Note) - Wharfage for water supplied will also be assessed in accordance with Item 07220.</p> <p>Note: When service charge is assessed, a minimum of \$5.10; and, a maximum of \$26.40 for each billing period (30 calendar days) or fraction thereof will apply. Service charges will be billed by and accrue to the Port.</p>		(I) 11110
<p>For explanation of abbreviations and reference marks see Page 10.</p>		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

THE BOARD OF PORT COMMISSIONERS PORT OF OAKLAND TARIFF NO. 2-A		2 <sup>nd</sup> REVISED PAGE 147 Cancels 1 <sup>st</sup> REVISED PAGE 147
<b>SECTION XI: MISCELLANEOUS CHARGES</b>		
(Rates in cents per unit shown below except as otherwise specifically provided)		
DESCRIPTION OF SERVICES RENDERED	RATES	ITEM NO.
<p style="text-align: center;">CRANE TRANSFER SYSTEM CHARGE</p> <p>Charges are for use of crane transfer trolleys and the cost of operator(s), electricity, utilities and maintenance.</p> <p>Charges are billed by and directly payable to Preferential Assignee. Wharfage, dockage and other tariff charges are in addition to the charges named in this Item.</p>	\$117.00 per round trip	(I) 11115
For explanation of abbreviations and reference marks see Page 10.		
ADOPTED: May 23, 2013		EFFECTIVE: July 1, 2013

Correction No. 723



**John Betterton**  
Secretary of the Board

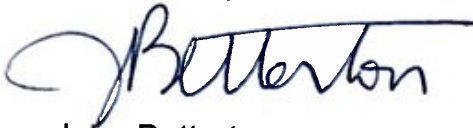
Friday, May 03, 2013

Commissioners,

Attached are letters that came addressed to your attention regarding the Port Tariff (Item 6.2 on the May 9<sup>th</sup> Regular Meeting Agenda).

All of these letters were received after the publication of the Agenda and will be published as a supplement to the Agenda Related Materials for Item 6.2.

Respectfully,

A handwritten signature in blue ink that reads "John Betterton". The signature is fluid and cursive, with a long horizontal stroke at the end.

John Betterton  
Secretary of the Board



April 30, 2013

The Honorable Gilda Gonzales  
President  
Oakland Port Commission  
530 Water Street  
Oakland, CA 94607

Dear President Gonzales,

The members of the Pacific Merchant Shipping Association (PMSA), who represent the tenants and customers of the Port of Oakland, are opposed to the proposed annual California Association of Port Authorities (CAPA) annual General Rate Increase proposal that will be voted on by the Oakland Port Commission on Thursday, May 9th. Our opposition is based on the following:

- The Annual GRI rate increase automatically increases rates without regard to the economy, state of the industry, impact on competitiveness or financial standing or needs of a port authority.
- The proposal comes at a time when California ports are losing market share.
- The Port is facing increasing competition from Canada, Mexico and US ports in the Gulf and East Coasts via the Panama and/or Suez Canals. It is counterintuitive to respond to these competitive pressures by automatically increasing the cost of doing business at your facilities.
- California lease rates are among the highest in the nation. In addition, ports are transferring the bulk of the responsibility for terminal maintenance to the tenants. On top of those costs, port customers and tenants face \$5 billion in California-only state imposed environmental costs (as estimated by the California Air Resources Board; does not include the cost of local initiatives). An automatic annual general rate increase adds to the burden of doing business in California.
- Port leases are typically structured in a way that requires a review every five years – allowing for upward lease adjustments. The annual GRI is an additional increase on top of this process.

**Pacific Merchant Shipping Association**

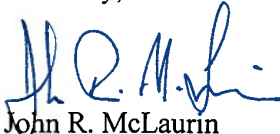
250 Montgomery St., Suite 700, San Francisco, CA 94104 (415) 352-0710 fax (415) 352-0717

- Ports can take independent action at any time to adjust their rates. They can do so without the need for any collective policy adoption by CAPA.
- The Annual GRI rate increase is poor public policy by substituting legitimate and open public review and debate into a mindless exercise that automatically goes into effect, regardless of need or impact on customers. The only time public debate would take place on a rate increase under this proposal would be when a port took action to either delay or eliminate the automatic increase. The likelihood of a port authority taking affirmative action in not increasing their fees under this policy is nil.

At the same time the annual GRI increase is being debated by this commission, you will be discussing Agenda item 5.2, a “Report: Maritime Division Information and Strategy Discussion” that points out the following weaknesses for the Port of Oakland: “Cost of doing business in California; price and service impacts...higher costs for pilotage than other west coast ports; lack of on-dock rail/connectivity; rail pricing...limited economies of scale...perceived unfriendly business and political climate.” Despite these weaknesses and challenges that impact the Port, the Commission is asked in the next agenda item to ignore these “weaknesses” and increase the cost of doing business at the Port by approving an annual and automatic increase in rates – increases that will be enacted without public debate or review and regardless of the impact on port customers or the state of economy.

The members of PMSA value the partnership relationship with the Port of Oakland. PMSA members want to continue to work with the Port to find creative solutions to attract cargo. However, the GRI policy only reinforces the negative perception that the Port of Oakland is unjustifiably adding fees and costs. We request that the Port of Oakland reject the GRI policy and join PMSA members to find innovative ways to bring cargo to the Port.

Sincerely,



John R. McLaurin  
President

Cc: Board of Port Commissioners  
Deborah Ale Flint, Executive Director  
Jean Banker, Deputy Executive Director





**TOTAL TERMINALS INTERNATIONAL, LLC**

301 Hanjin Road, Long Beach, California 90802 • Tel (562) 256 - 2700 • Fax (562) 499 - 3588

May 1, 2013

The Honorable Gilda Gonzales  
President  
Oakland Port Commission  
530 Water Street  
Oakland, CA 94607

Dear President Gonzales,

As a tenant of the Port of Oakland and a member of the Pacific Merchant Shipping Association (PMSA), who represent the tenants and customers of the Port of Oakland, Total Terminals International is opposed to the annual General Rate Increase proposal that will be voted on by the Oakland Port Commission on Thursday, May 9th. Our opposition is based on the following:

- The Annual GRI rate increase automatically increases rates without regard to the economy, state of the industry, impact on competitiveness or financial standing or needs of a port authority.
- The proposal comes at a time when California ports are losing market share.
- The Port is facing increasing competition from Canada, Mexico and US ports in the Gulf and East Coasts via the Panama and/or Suez Canals. It is counterintuitive to respond to these competitive pressures by automatically increasing the cost of doing business at your facilities.
- California lease rates are among the highest in the nation. In addition, ports are transferring the bulk of the responsibility for terminal maintenance to the tenants. On top of those costs, port customers and tenants face \$5 billion in California only state imposed environmental costs (as estimated by the California Air Resources Board; does not include the cost of local initiatives). An automatic annual general rate increase increases the burden of doing business in California.
- Port leases are typically structured in a way that requires a review every five years – allowing for upward lease adjustments. The annual GRI is an additional increase on top of this process.

- Ports can take independent action at any time to adjust their rates. They can do so without the need for any collective policy adoption by CAPA.
- The Annual GRI rate increase is poor public policy by substituting legitimate and open public review and debate into a mindless exercise that automatically goes into effect, regardless of need or impact on customers. The only time public debate would take place on a rate increase under this proposal would be when a port took action to either delay or eliminate the automatic increase. The likelihood of a port authority taking affirmative action in not increasing their fees under this policy is nil.

At the same time the annual GRI increase is being debated by this commission, you will be discussing Agenda item 5.2, a “Report: Maritime Division Information and Strategy Discussion” that points out the following weaknesses for the Port of Oakland: “Cost of doing business in California; price and service impacts...higher costs for pilotage than other west coast ports; lack of on-dock rail/connectivity; rail pricing...limited economies of scale...perceived unfriendly business and political climate.” Despite these weaknesses and challenges that impact the Port, the Commission is asked in the next agenda item to ignore those “weaknesses” and increase the cost of doing business at the Port by approving an annual and automatic increase in rates – increases that will be enacted without public debate or review and regardless of the impact on port customers or the state of economy.

The members of PMSA value the partnership relationship with the Port of Oakland. PMSA members want to continue to work with the Port to find creative solutions to attract cargo. However, the GRI policy only reinforces the negative perception that the Port of Oakland is unjustifiably adding fees and costs. We request that the Port of Oakland reject the GRI policy and join PMSA members to find innovative ways to bring cargo to the Port.

Sincerely,



Frank Capo  
Senior V.P. & Chief Commercial Officer

Cc: Board of Port Commissioners  
Deborah Ale Flint, Executive Director  
Jean Banker, Deputy Executive Director  
J. McLaurin, PMSA  
K.K. Kim, L. Bennett, D. Wilson, C. Choi, Total Terminals International



**SSA Terminals**  
A Matson and Carrix Collaboration

1717 Middle Harbor Road  
Oakland California  
94607  
510/622-8146 tel  
510/622-8147 fax  
www.ssamarine.com

May 01, 2013

Ms. Gilda Gonzales  
President  
Oakland Port Commission  
530 Water Street  
Oakland, California 94607

Re: CAPA General Rate Increase Proposal

Dear President Gonzales:

I am writing to express our opposition to the California Association of Port Authorities (CAPA) General Rate Increase (GRI) proposal that will be voted on by the Oakland Port Commission on Thursday, May 9.

California ports have been losing market share, and are facing stiff competition from Canada, Mexico, and other U.S. ports. We are perplexed at the history of the GRI and, more importantly, CAPA's explanation and its justification for a State wide adjustment to port leases, particularly when there are opportunities within our lease for the Port of Oakland to make annual tariff and five-year fair market value revenue increases. The Port of Oakland already has by far the most expensive land-lease costs on the West Coast. The annual GRI increases would occur automatically, regardless of the state of the economy or increasing or declining cargo volumes. Cargo, like water, flows along the path of least resistance and costs are a critical element that make or break a business model. This GRI simply sends the wrong message to shippers and is just another example where unjustified costs leave the Port of Oakland and its marine terminals at a distinct disadvantage.

We strongly urge the Oakland Port Commission to reject this unfounded and ill advised GRI. Rather, we encourage collaborative efforts to attract cargo to the Oakland terminals.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon E. Rosselle".

Jon E. Rosselle  
Vice President

cc: Board of Port Commissioners  
Ms. Deborah Ale Flint, Executive Director  
Ms. Jean Banker, Deputy Executive Director



**TraPac**

Los Angeles · Oakland · Jacksonville · Austin

May 1, 2013

The Honorable Gilda Gonzales  
President  
Oakland Port Commission  
530 Water Street  
Oakland, CA 94607

Dear President Gonzales,

TraPac, Inc. is a leading container terminal operator and major tenant of the Port of Oakland. We have made substantial investments to our facility over the years and are committed to a vibrant and competitive Port. As such, we must state our opposition to the annual General Rate Increase proposal that will be voted on by the Oakland Port Commission on Thursday, May 9th. Our opposition is based on the following:

- The Annual GRI rate increase automatically increases rates without regard to the economy, state of the industry, impact on competitiveness or financial standing or needs of a port authority. Based on the accompanying staff report, it appears the only justification for this increase is because it has been agreed to by all of the members of the California Association of Port Authorities – it does not appear to be based on an individual cause or reason specific to the Port of Oakland – nor does the analysis discuss how the increase will improve the competitiveness of the Port and its tenants or attract more customers.
- The proposed increase is based on the Consumer Price Index, West Region for All Urban Consumers (CPI-U). According to Bureau of Labor Statistics, “The CPI-U index is based on prices such as food, clothing, shelter, charges for doctors’ and dentist services...” – items that have absolutely no bearing on services provided by the Port of Oakland to its tenants or customers.
- The proposal comes at a time when California ports are losing market share – which is not discussed in the staff analysis.
- The Port of Oakland is operating in an ever increasing competitive environment. It is counterintuitive to respond to these competitive pressures by automatically increasing the cost of doing business at your facilities.

**TraPac, Inc.**  
2800 7<sup>th</sup> Street Berths 30-32  
Oakland, Ca 94607  
(510) 286-8600 • FAX (510) 286-8601



**TraPac**

Los Angeles · Oakland · Jacksonville · Austin

- California lease rates are among the highest in the nation. In addition, ports are transferring the bulk of the responsibility for terminal maintenance to the tenants. On top of those costs, port customers and tenants have invested billions of dollars in California only state imposed environmental costs. Unfortunately, an automatic annual general rate increase increases the burden of doing business in California.
- Ports can take independent action at any time to adjust their rates. They can do so without the need for any collective policy adoption by CAPA.
- The Annual GRI rate increase is poor public policy by substituting legitimate and open public review and debate into a mindless exercise that automatically goes into effect, regardless of need or impact on customers. The only time public debate would take place on a rate increase under this proposal would be when a port took action to either delay or eliminate the automatic increase. The likelihood of a port authority taking affirmative action in not increasing their fees under this policy is nil.

TraPac values the partnership relationship with the Port of Oakland and we want to continue to work with the Port to find creative solutions to attract cargo. However, the GRI policy only reinforces the negative perception that the Port of Oakland is an increasingly costly environment and unjustifiably adding fees and costs will further push us into an ever increasing uncompetitive landscape. We request that the Port of Oakland reject the GRI policy.

Sincerely,

Michael B. Porte  
Regional Vice President & General Manager  
TraPac, Inc.

cc: Board of Port Commissioners  
Deborah Ale Flint, Executive Director  
Jean Banker, Deputy Executive Director

**TraPac, Inc.**  
2800 7<sup>th</sup> Street Berths 30-32  
Oakland, Ca 94607  
(510) 286-8600 • FAX (510) 286-8601



**EVERGREEN SHIPPING AGENCY (AMERICA) CORPORATION**  
3600 PORT OF TACOMA ROAD, SUITE 303 • TACOMA, WA 98424 (253) 926-1267  
www.evergreen-shipping.us

The Honorable Gilda Gonzales  
President  
Oakland Port Commission  
530 Water Street  
Oakland, CA 94607

Date: May 1, 2013

Dear President Gonzales,

As a tenants and customers of the Port of Oakland, Evergreen is strongly oppose to the recent annual General Rate Increase proposal that will be voted on by the Oakland Port Commission on Thursday, May 9th. Our opposition is based on the following:

- \* The Annual GRI rate increase automatically increases rates without regard to the economy, state of the industry, impact on competitiveness or financial standing or needs of a port authority.
- \* The proposal comes at a time when California ports are losing market share.
- \* The Port is facing increasing competition from Canada, Mexico, US ports in the Northwest and Gulf and East Coasts via the Panama and/or Suez Canals. It is counterintuitive to respond to these competitive pressures by automatically increasing the cost of doing business at your facilities.
- \* California lease rates are among the highest in the nation. In addition, ports are transferring the bulk of the responsibility for terminal maintenance to the tenants. On top of those costs, port customers and tenants face \$5 billion in California only state imposed environmental costs (as estimated by the California Air Resources Board; does not include the cost of local initiatives). An automatic annual general rate increase increases the burden of doing business in California.
- \* Port leases are typically structured in a way that requires a review every five years - allowing for upward lease adjustments. The annual GRI is an additional increase on top of this process.
- \* Ports can take independent action at any time to adjust their rates. They can do so without the need for any collective policy adoption by CAPA.
- \* The Annual GRI rate increase is poor public policy by substituting legitimate and open public review and debate into a mindless exercise that automatically goes into effect, regardless of need or impact on customers. The only time public debate would take place on a rate increase under this proposal would be when a port took action to either delay or eliminate the automatic increase.



**EVERGREEN SHIPPING AGENCY (AMERICA) CORPORATION**  
3600 PORT OF TACOMA ROAD, SUITE 303 • TACOMA, WA 98424 (253) 926-1267  
www.evergreen-shipping.us

The likelihood of a port authority taking affirmative action in not increasing their fees under this policy is nil.

At the same time the annual GRI increase is being debated by this commission, you will be discussing Agenda item 5.2, a "Report: Maritime Division Information and Strategy Discussion" that points out the following weaknesses for the Port of Oakland: "Cost of doing business in California; price and service impacts...higher costs for pilotage than other west coast ports; lack of on-dock rail/connectivity; rail pricing...limited economies of scale...perceived unfriendly business and political climate." Despite these weaknesses and challenges that impact the Port, the Commission is asked in the next agenda item to ignore those "weaknesses" and increase the cost of doing business at the Port by approving an annual and automatic increase in rates - increases that will be enacted without public debate or review and regardless of the impact on port customers or the state of economy.

Evergreen values the partnership relationship with the Port of Oakland. We want to continue to work with the Port to find creative solutions to attract cargo. However, the GRI policy only reinforces the negative perception that the Port of Oakland is unjustifiably adding fees and costs. We request that the Port of Oakland reject the GRI policy and join PMSA members to find innovative ways to bring cargo to the Port.

Sincerely,

Capt. C. M. Leng  
S.V.P. of Evergreen Shipping

Cc: Board of Port Commissioners  
Deborah Ale Flint, Executive Director  
Jean Banker, Deputy Executive Director  
Roy Amalfitano, President of Evergreen Shipping Agency  
David Chen, E.V.P. of Evergreen Shipping Agency



May 1, 2013

Via: E-mail

The Honorable Gilda Gonzales  
President  
Oakland Port Commission  
530 Water Street  
Oakland, CA 94607

RE: Letter in OPPOSITION to the Port General Rate Increases

Dear President Gonzales,

CMA CGM (America) LLC understands that the Port of Oakland Commissioners will be discussing and deciding on the General Rate Increase (GRI) for the port on May 9, 2013. We oppose this measure and strongly urge the Port Commissioners postpone the GRI until the market has become more stable and the industry better able to withstand the cost increases.

While CMA CGM was one of the few carriers to be profitable in 2012, we remain extremely cautious about the fragility of the market and are deeply concerned about our ability to absorb or recover any increased operational costs at this time.

Rather than imposing a broad GRI we ask that you work with the industry to find solutions that benefit all concerned without placing undue burden and stress on the industry and the economy.

We appreciate your attention to this matter and openness for customer concerns. If you have any questions please do not hesitate to contact me.

Best regards,

A handwritten signature in black ink, appearing to read "Ed McCarthy". The signature is fluid and cursive, written over a white background.

Ed McCarthy  
Sr. Vice President & Chief Operating Officer

**CMA CGM (America) LLC**

5701 Lake Wright Drive - Norfolk, VA 23502-1868 - Tel: (757) 961-2100 - Fax: (757) 961-2151  
www.cma-cgm.com - 1-877-556-6308





Hapag-Lloyd (America) Inc. · Houston, TX 77067

Hapag-Lloyd (America) Inc.  
Area Gulf Pacific  
11410 Greens Crossing Blvd., Suite 400  
Houston, TX 77067  
Phone +1 281 8857100  
Fax +1 281 8857033  
www.hapag-lloyd.com

May 1, 2013

The Honorable Gilda Gonzales  
President  
Oakland Port Commission  
530 Water Street  
Oakland, CA 94607

Dear President Gonzales:

Hapag-Lloyd, as a long term customer of the Port of Oakland is opposed to the California Association of Port Authorities (CAPA) annual General Rate Increase proposal that will be voted on by the Oakland Port Commission on Thursday, May 9th. Our opposition is based on the following:

- The Annual GRI rate increase automatically increases rates without regard to the economy, state of the industry, impact on competitiveness or financial standing or needs of the port .
- The proposal comes at a time when San Pedro Bay ports are losing market share.
- The Port is facing increasing competition from Canada, Mexico and US ports in the Gulf and East Coasts via the Panama and/or Suez Canals. Both the Port of LA and Long Beach have been active participants in the "Beat the Canal" campaign. It is counterintuitive to respond to competitive pressures by automatically increasing the cost of doing business at your facilities.
- California lease rates are among the highest in the Nation. In addition, ports are transferring the bulk of the responsibility for terminal maintenance to the tenants. On top of these costs, port customers and tenants face \$5 billion in California only state imposed environmental costs (as estimated by the California Air Resources Board). An automatic annual general rate increase increases the burden of doing business in California.
- Port leases are typically structured in a way that requires a review every five years – allowing for upward lease adjustments. The annual GRI is an additional increase on top of this process.
- Ports can take independent action at any time to adjust their rates. They can do so without the need for any collective policy adoption by CAPA.



- The Annual GRI rate increase is poor public policy by substituting legitimate and open public review and debate into a mindless exercise that automatically goes into effect, regardless of need or impact on customers. The only time public debate would take place on a rate increase under this proposal would be when a port took action to either delay or eliminate the automatic increase. The likelihood of a port authority taking affirmative action in not increasing their fees under this policy is nil.

At the same time the annual GRI increase is being debated by this commission, you will be discussing Agenda item 5.2, a "Report: Maritime Division Information and Strategy Discussion" that points out the following weaknesses for the Port of Oakland: "Cost of doing business in California; price and service impacts...higher costs for pilotage than other west coast ports; lack of on-dock rail connectivity; rail pricing...limited economies of scale...perceived unfriendly business and political climate." Despite these weaknesses and challenges that impact the Port, the Commission is asked in the next agenda item to ignore these "weaknesses" and increase the cost of doing business at the Port by approving an annual and automatic increase in rates – increases that will be enacted without public debate or review and regardless of the impact on port customers or the state of the economy.

Hapag-Lloyd values the partnership relationship with the port and wants to continue to work to find creative solutions to attract cargo. However the GRI policy only reinforces the negative perception that California ports are unjustifiably adding fees and costs. We request the Port of Oakland reject the GRI policy and join industry to find innovative ways to bring cargo to the Port.

Sincerely,

A handwritten signature in blue ink that reads "P.C. Summers". The signature is fluid and cursive, with a large, sweeping flourish at the end.

Phillip Summers  
Director Operations Gulf-Pacific

cc: Board of Port Commissioners  
Deborah Ale Flint, Executive Director  
Jean Banker, Deputy Executive Director



1700 NORTH MOORE STREET  
SUITE 2250  
ARLINGTON, VA 22209  
T (703) 841-2300 F (703) 841-1184  
WWW.RILA.ORG

May 2, 2013

Ms. Cindy Miscikowski, President  
Port of Los Angeles Harbor Commission  
425 South Palos Verdes Street  
San Pedro, California, USA 90731

Ms. Susan E. Anderson Wise, President  
Port of Long Beach  
925 Harbor Plaza  
P.O. Box 570  
Long Beach, CA 90801

Ms. Gilda Gonzales, President  
Port of Oakland  
530 Water Street,  
Oakland, CA 94607

Dear Presidents Miscikowski, Wise, Gonzales:

On behalf of the Retail Industry Leaders Association (RILA), I would like to express opposition to the adoption of the California Association of Port Authorities (CAPA) annual General Rate Increase. While RILA recognizes that the ports need to adjust rates from time to time, our members firmly believe that this decision should be open to public debate and should be based on the economic and market conditions that exist at the time of the adjustment.

By way of background, RILA is the trade association of the world's largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs and more than 100,000 stores, manufacturer facilities and distribution centers domestically and abroad.

RILA is concerned to see the California ports recommend a policy increasing rates automatically, regardless of public review and debate. This process will potentially lead to direct rate increases for RILA's membership on an annual basis without the opportunity for our members to have any input into the decision. RILA feels strongly that the process should incorporate a review period for impacted clients to voice their views.

At a time when California's ports are working hard to ensure cargo does not migrate to other gateways, this annual automatic rate increase will drive a negative perception that California ports are adding unnecessary fees and costs. We believe that the ports should reject the CAPA policy as the decision should take into account the current economic realities and the financial conditions of its customers.

We respectfully request the Port Commissions to not adopt this policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Kolb", written in a cursive style.

Kelly Kolb

cc: Dr. Geraldine Knatz  
Vice President Arian  
Commissioner Krause  
Commissioner Kramer  
Commissioner Sohn



**Pacific Coast Council of Customs Brokers & Freight Forwarders Association, Inc.**

- ◆ Custom Brokers & International Freight Forwarders Assn. of Washington State
- ◆ Columbia River Customs Brokers and Forwarders Assn.
- ◆ Custom Brokers & Forwarders Assn. of Northern California
- ◆ Los Angeles Customs & Freight Brokers Assn. ◆ San Diego District Customs Brokers Assn.

May 2, 2013

President, Cindy Miscikowski  
Port of Los Angeles Harbor Commission  
425 South Palos Verdes Street  
San Pedro, California, USA 90731

President, Susan E. Anderson Wise  
Port of Long Beach  
925 Harbor Plaza  
P.O. Box 570  
Long Beach, CA 90801

President, Gilda Gonzales  
Port of Oakland  
530 Water Street,  
Oakland, CA 94607

Dear Presidents:

The Pacific Coast Council of Customs Brokers and Freight Forwarders would like to express its opposition to adopting the California Association of Port Authorities (CAPA) annual General Rate Increase. The PCC promotes the Pacific Coast customs brokerage, freight forwarding and the non-vessel operating common carrier (NVOCC) industry as a whole. **The PCC represents the interests of Customs Brokers and Freight Forwarders as professionals in dealing with government, carriers, industry and one another.** We realize that the Ports will have to raise rates from time to time, but we believe that this decision, which affects the Ports competitiveness in a multi-national market, should be decided on an annual basis, based on the economic and market conditions at the time.

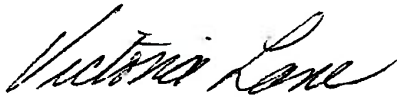
We are concerned to see the California ports recommend a policy increasing rates annually, automatically, tied to the Consumer Price Index, without consideration of economic or market conditions. California ports are continuing to lose market share to foreign ports. An article published, February 28 by the Journal of Commerce references a Compound Annual Growth Rate (CAGR) of the Port of Los Angeles, since 2008, of 0.7%. The Port of Oakland's five-year CAGR is 1.2 percent since 2008 and the CAGR for Long Beach is -1.7 percent since 2008.

These are a few examples of the rate of growth of US west coast ports. In contrast, Canadian and Mexican ports are growing at double digit rates.

This annual automatic rate increase can foster the negative perception that California ports are adding fees and costs, when other ports are not doing so. We believe that the ports should be incentivizing cargo to come to California by staying competitive in the market. The Ports of Los Angeles, Long Beach and Oakland should reject the CAPA policy, not only based on competitive reasons, but also, due to the current economic realities and the financial conditions of its customers. The UCLA Andersen forecast states: "California and the nation's economy will continue to plod along for the balance of the year...the US economy continues to face considerable headwinds from the European recession, the \$85 billion in federal spending cuts and other factors."

We respectfully request the Port Commissions not adopt this policy.

Sincerely,

A handwritten signature in cursive script that reads "Victoria Lane".

Victoria Lane

President

cc: Dr. Geraldine Knatz  
Vice President Arian  
Commissioner Krause  
Commissioner Kramer  
Commissioner Sohn

**AGTC'S LETTER CONCERNING GRI**

Peter Friedmann [[executivedirector@agtrans.org](mailto:executivedirector@agtrans.org)]

Fri 5/3/2013 8:53 AM'Sophia Esparza,

AgTC'; Rhenry@portla.org; John Betterton; hacegaba@polb.com; 'mdibernardo@portla.org.'

Hello, to be clear, the AgTC is not opposing any GRI; rather, we are inviting your ports to work with us, before implementing a GRI, so we can help your Commissions understand the potential impacts of rate increases on ag exports, and we can understand the fiscal needs of your ports. We are mutually dependant.

Thank you for your consideration.

Regards,

Peter

**Peter Friedmann**

**AgTC Agriculture Transportation Coalition**

1120 G Street, NW, Suite 1020 Washington, D.C. 20005

tel: 202-783-3333 fax: 202-783-4422

[ExecutiveDirector@agtrans.org](mailto:ExecutiveDirector@agtrans.org)



**From:** Sophia Esparza, AgTC [<mailto:sophia@agtrans.org>]

**Sent:** Friday, May 03, 2013 10:17 AM

**To:** [Rhenry@portla.org](mailto:Rhenry@portla.org); [jbetterton@portoakland.com](mailto:jbetterton@portoakland.com); [hacegaba@polb.com](mailto:hacegaba@polb.com); 'mdibernardo@portla.org.'

**Subject:** AgTC's Letter Opposing GRI

Good morning all,

Please find attached the comments of the Agriculture Transportation Coalition opposing the annual General Rate Increase.

Please forward to your Ports Commissioners. Thank you.

Regards,

Sophia

**Sophia Esparza**

**AgTC Agriculture Transportation Coalition**  
1120 G Street NW, Suite 1020 Washington, DC 20005  
tel: 202-783-3333 fax: 202-783-4422  
[sophia@agtrans.org](mailto:sophia@agtrans.org)



Regards,  
Sophia

**Sophia Esparza**  
On Behalf of  
**Pacific Coast Council of Customs Brokers and Freight Forwarders Assoc.**  
1120 G Street, NW, Suite 1020 Washington, D.C. 20005  
tel: 202-783-3333 fax: 202-783-4422  
[Sophia@federalrelations.com](mailto:Sophia@federalrelations.com)





MEDITERRANEAN SHIPPING COMPANY

May 2, 2013

President, Gilda Gonzales  
Port of Oakland  
530 Water Street,  
Oakland, CA 94607

Dear President Gonzales,

On behalf of Mediterranean Shipping Company and our customers, I would like to officially express our opposition to adoption of the California Association of Port Authorities (CAPA) annual General Rate Increase.

There are strong indicators that suggest the proposed GRI will negatively impact the business for the Port of Oakland and those jobs and businesses that depend so heavily on the port's continued success. The GRI would also limit the ability to maintain a consistent volume for those cargo carriers who have made local capital investments in recent months and years.

It should also be mentioned that in preparation of compliance with state regulations specific to California ports, port tenant's and their customers face over \$5 billion in environmental costs. A general rate increase will only add to the costs and further the burden of doing business in California.

California ports are making it easier for cargo carriers to commit business to foreign ports. In a recent article from the Journal of Commerce, it made clear that California ports are losing market share. The article references the Compound Annual Growth Rate (CAGR) of each of the major West Coast Ports. Oakland's five-year CAGR is 1.2%, compared to Canadian and Mexican ports posting double digit growth over the same five-year period. An automatic GRI will not only inhibit efforts to return the port to a healthy growth rate, it will in turn give a competitive advantage to those foreign ports already steaming ahead.

MSC values the relationship with Port of Oakland and look forward to strengthening our future partnership. For these reasons Mediterranean Shipping Company respectfully request the Port Commission to not adopt this policy.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Christopher J. Parvin', with a horizontal line underneath.

Christopher J. Parvin  
Vice President, Marine Operations

---

700 Watermark Blvd., Mt. Pleasant, South Carolina 29464 - Phone (843) 971 - 4100 Fax (843) 971 - 5808



*Handwritten initials*

**BOARD OF PORT COMMISSIONERS  
CITY OF OAKLAND**

**ORDINANCE APPROVING A GENERAL RATE INCREASE OF 1.7%  
TO PORT TARIFF NO. 2-A, EFFECTIVE JULY 1, 2013.**

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**WHEREAS** the Board of Port Commissioners of the City of Oakland ("Board") has reviewed and evaluated the Agenda Report for Agenda Item 6.2, dated May 23, 2013 (the "Agenda Report") and related agenda materials, has received the expert testimony of Port of Oakland ("Port") staff, and has provided opportunities for and taken public comment; now, therefore

**BE IT ORDAINED** by the Board of Port Commissioners of the City of Oakland as follows:

**Section 1.** In acting upon this matter, the Board has exercised its independent judgment based on substantial evidence in the record and adopts and relies upon the facts, data, analysis, and findings set forth in the Agenda Report and in related agenda materials and in testimony received.

**Section 2.** The Board approves a (a) 1.7% general rate increase to those sections of Port Tariff No. 2-A listed on Attachment A hereto, effective July 1, 2013 and (b) updates to various sections of Port Tariff No. 2-A to reflect (i) current staff names, titles and contact information, (ii) correct typographical errors, and (iii) make similar nonsubstantive updates that do not affect rates or other substantive provisions in Port Tarriff No. 2-a, effective July 1 all as approved by the Port Attorney as to form and legality.

**Section 3.** This ordinance is not evidence of and does not create or constitute (a) a contract, lease or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board.

**Section 4.** If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsections, subdivisions, paragraphs, sentences, clauses, or phrases be declared unconstitutional, or invalid, or ineffective.

**Section 5.** The Board determines and finds that this Ordinance is exempt from the California Environmental Quality Act under section 15061(b)(3) because the adoption of amendments to By-Laws is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

**Section 6.** This Ordinance shall take effect on immediately upon its final adoption by the Board pursuant to Article VII, Section 704 of the Charter of the City of Oakland.

DRAFT

\_\_\_\_\_  
**President.**

**Attest:** \_\_\_\_\_  
**Secretary.**

**Approved as to form and legality:**

\_\_\_\_\_  
**Port Attorney**

## **UPDATES & ANNOUNCEMENTS**

The President, Members of the Board and the Executive Director will report on noteworthy events occurring since the last Board Meeting.

## **SCHEDULING**

This segment of the meeting is reserved for scheduling items for future Agendas and/or scheduling Special Meetings.