

EXPLANATION OF CONSENT AGENDA ITEM E.2.c.24 – April 27, 2016

ITEM:

Consideration of approving staff's recommendation to amend the current tariff to include changes to two tariff categories included in the Canaveral Port Authority Tariff No. 14. The first proposed item would amend Rule 715 - Cargo Wharfage to add wharfage charges for new automobiles and also increase rates for used automobiles less than 10,000 lbs. The second proposed item would be to add Rule 1035 - Security/IT Fee to Section 1000 – Miscellaneous Rules and Rates.

EXPLANATION:

Rule 715 - New and used car wharfage charge.

The current tariff includes cargo wharfage rates for used automobiles/truck that weigh less than 10,000 lbs. as well as other vehicles such as trucks, buses, tractors, trailers, road building equipment (new or used) and (mobile/towed), oil/water drilling equipment that is over 10,000 lbs. CPA's tariff does not included provisions to charge for new cars.

Based on research for new car RORO wharfage, there are 5 ports in Florida that have a specific charge for new automobile wharfage. The Port of Jacksonville, Port Everglades, Port of Tampa, Port Manatee and Port of Miami are charging \$5.40, \$6.72, \$4.22, \$3.70 and \$10.00, respectively. The Port of Miami and Port of Everglades do not differentiate between new and used automobiles. As we develop our new auto business in the near future and in order to be competitive it is necessary to specifically add this item to our tariff. Although the average among the previously mentioned ports is approximately \$6.00, staff recommends an initial rate of \$5.00 per new automobile in order to attract new business.

New Rule – 1035

CPA Tariff No. 14 does not currently have a rule to reimburse the port for it costs incurred to comply with Federal, State and Local security regulations and laws. We incur significant costs to provide this service to our port users and have to-date budgeted for this out of port revenues thus decreasing the amount of operating income available to finance CPA port infrastructure improvements. Costs associated with security plans, specialized equipment purchases and associated installation and maintenance, access control and staffing are additional costs to be covered under the proposed fee.

Staff is recommending we add Security/IT fee be assessed against and collected from port users of port premises, services and facilities. Some current contracts and leases do not have provisions for these fees and negotiations will have to be held with these entities.

Staff is seeking permission to begin conversations with these entities in order to determine the amount and extent of such charges. No specific fee amounts are presented herein. When these fees can be negotiated and amounts determined, staff will present these amounts to the Commission for approval. Several different tariff sections may be amended.

Staff recommends approval
Prepared by Rodger Rees

A handwritten signature in blue ink, appearing to be 'Rak', is written over the printed text.