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BUSINESS COUNCIL
THE ENTREPRENEURIAL COMMUNITY'S ADVOCATE



May 27, 2026

Honorable Members of the Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Subject: Council File: 25-0118

Dear Councilmembers:

On behalf of the undersigned organizations which support and rely on the competitiveness of the Port of Los Angeles, we respectfully submit these comments in support of retaining the City's current Charter provisions regarding Port operations. As you may be aware, the San Pedro Bay Port Complex is the largest in the Western Hemisphere, contributing almost \$900 billion to the California economy, representing more than 21.4% of California's Gross Domestic Product. The economic activity of the Port of Los Angeles and Port of Long Beach support more than 3.5 million jobs in the State including longshore workers, truckers, warehouse workers, and many others throughout the supply chain and related industries. Given the Port of Los Angeles' critical importance to jobs, economic growth, and public revenues, any changes to the City Charter affecting the Port's governance or operations could have serious negative consequences for the City, the region, and the State.

We are a coalition of leaders representing workers, businesses, and communities whose livelihoods depend on the continued strength of the Port of Los Angeles. Without the continued viability of the Port in an increasingly competitive and volatile world supply chain, jobs and economic vitality will be lost for Los Angeles. Los Angeles cannot put its most important economic asset at risk.

The current Charter provisions governing the Port of Los Angeles have served the City well. The existing language has provided a stable governance structure for the Harbor Department, ensuring professional management, financial independence, and operational flexibility under the authority of the Board of Harbor Commissioners. This framework was developed over

decades to align with state and federal law and the operational requirements of the maritime and supply chain industries. It has helped enable the Port of Los Angeles to become the nation's leading container port, North America's cleanest and most environmentally friendly intermodal gateway, and one of the most important economic engines in the city, state, and country. It is vital that this framework remain stable and predictable.

For this reason, any proposals to alter the Charter provisions governing the Port should be held to a high standard of necessity and demonstrate that they strengthen – not weaken – the governance framework that has served as the foundation of the Port's success.

We understand that two proposals have been or will be considered relating to the Port of Los Angeles: (i) a proposal to amend the Charter to set aside a significant percentage of Port revenues for the San Pedro and Wilmington area (referred to as a Public Access Investment Plan, or PAIP) and (ii) a proposed workforce impact disclosure requirement tied to Port leasing decisions. Setting aside the legality of any such changes or requirements, inclusion of these proposals in the Charter would have a fundamentally negative impact on the ongoing operations of the Port and its competitiveness in the world economy. We respectfully urge the City Council to reject the proposed Charter amendments.

The Existing Charter Protects Compliance with State Law and the Tidelands Trust

The Port's current governance structure reflects the Port's obligations under the State Tidelands Trust, a cornerstone of our State's Constitution that requires that harbor lands and revenues be managed primarily to support maritime commerce, navigation, and related statewide purposes. Because both the lands and the revenues derived from them must be used only for these trust-consistent purposes, the Harbor Commission must retain independent authority over port operations, revenues, and development decisions.

The Port's current governance structure ensures that the Board of Harbor Commissioners retains the independence and authority necessary to fulfill these legal obligations. Embedding detailed programmatic requirements and operational mandates in the Charter risks creating conflicts with the Port's fiduciary responsibilities under State law and could complicate the Harbor Commission's ability to manage trust assets effectively.

The Proposed Amendments Threaten the Port's Global Competitiveness

The Port of Los Angeles operates in an intensely competitive global industry in which shipping lines, cargo owners, and terminal operators make investment decisions based on efficiency, predictability, and operational stability. The amendments under consideration would limit the Port's flexibility to invest in new environmental and freight infrastructure, introduce uncertainty into underwriting and leasing decisions, and impose additional regulatory barriers that risk discouraging investment and diverting cargo to competing ports, from nearby Long Beach to rapidly expanding gateways along the East and Gulf coasts.

These competitors do not embed operational programs or leasing requirements into their governing charters or statutes. Instead, they maintain governance frameworks that establish oversight and accountability while allowing operational policies to be managed by their port authorities. Embedding operational mandates in the City Charter would make future adjustments unnecessarily difficult and could weaken the Port's ability to respond to changing market conditions and compete in a rapidly evolving global maritime industry.

The Proposed Amendments Undercut the Port's Authority and Weaken its Governance Structure

The City Charter intentionally grants the Board of Harbor Commissioners possession, management, and control over Harbor District lands, assets, revenues, and operational decisions, including leasing, development, and financial management.

The current Charter structure works because it establishes clear authority and accountability while allowing the Harbor Commission to make operational decisions based on economic conditions, maritime industry practices, and long-term planning.

The proposed amendments depart from this successful model by embedding programmatic policies and procedural requirements into the Charter, which risks undermining the carefully balanced governance framework that has allowed the Port to operate effectively for decades.

The Proposed Amendments Erode the Charter's Clear Separation Between Governance and Operations

One of the strengths of the current Charter is that it establishes the governing authority for the Port without dictating detailed operational policies. The proposed amendments would reverse this principle by placing specific programmatic requirements, including funding formulas and leasing policies, into the Charter itself.

The City's Chief Legislative Analyst has advised that policies of this nature are better implemented through ordinance or administrative processes because the Charter is intended to establish fundamental governance authority rather than detailed operational programs. Maintaining this distinction is critical to ensuring that the Port can adapt to changing economic conditions, evolving technologies, and global maritime industry practices.

The Port of Los Angeles supports hundreds of thousands of jobs across Southern California, including port adjacent communities, as well as millions more across the United States.

Governance changes that introduce uncertainty into the Port's operations risk unintended consequences, including reduced investment, cargo diversion, and economic disruption that would ultimately affect workers, businesses, and families throughout the Harbor Area and the broader region.

The existing Charter framework governing the Port of Los Angeles has proven successful, supporting economic growth, protecting jobs, and enabling the Port to compete in the global maritime industry while meeting its obligations under state law.

For these reasons, we respectfully urge the City Council to preserve the existing Charter structure governing the Port of Los Angeles and decline to advance these proposed amendments.

Sincerely,

- **American Apparel & Footwear Association**
- **California Building Industry Association**
- **California Business Properties Association**
- **California Business Roundtable**
- **California Business & Industrial Alliance**
- **California Consumer Advocates for Affordability and Safety**
- **California Farm Bureau**
- **California Fuels and Convenience Alliance**
- **California Hispanic Chamber of Commerce**
- **California Manufacturers and Technology Association**
- **California Metals Coalition**
- **California Multicultural Business Alliance**
- **California Retailers Associations**
- **California Small Business Association**
- **Central Valley Business Federation**
- **Construction Industry Air Quality Coalition**
- **Costa Mesa Chamber of Commerce**
- **Council of Business & Industries**
- **Family Business Association of California**
- **Fontana Chamber of Commerce**
- **Foreign Trade Association**
- **Greater Ontario Business Council**
- **Greater San Fernando Valley Chamber of Commerce**
- **Habor Association of Industry and Commerce**
- **Harbor Trucking Association**
- **Huntington Beach Chamber of Commerce**
- **Industry Business Council**
- **Inland Empire Economic Partnership**
- **Inland Empire Taxpayers Association**
- **Long Beach Chamber of Commerce**
- **Los Angeles Area Chamber of Commerce**
- **Los Angeles County Business Federation**
- **Los Angeles County Taxpayers Association**
- **Los Angeles Customs Brokers & Freight Forwarders Association**

- **NAIOP California, the Commercial Real Estate Development Association**
- **NAIOP SoCal, the Commercial Real Estate Development Association**
- **National Retail Federation**
- **Orange County Business Council**
- **Orange County Taxpayers Association**
- **Pacific Maritime Association**
- **Pacific Merchant Shipping Association**
- **Propeller Club of LA/Long Beach**
- **San Clemente Chamber of Commerce**
- **San Gabriel Valley Economic Partnership**
- **San Juan Capistrano Chamber of Commerce**
- **Santa Ana Chamber of Commerce**
- **Simi Valley Chamber of Commerce**
- **South Bay Association of Chambers of Commerce**
- **Southern California Leadership Council**
- **Supply Chain Federation**
- **The Two Hundred for Home Ownership**
- **Torrance Area Chamber of Commerce**
- **United Latinos Action**
- **Valley Industry & Commerce Association**
- **Wilmington Chamber of Commerce**
- **Yorba Linda Chamber of Commerce**

cc: Los Angeles Mayor, Karen Bass
 Los Angeles City Attorney, Hydee Feldstein Soto
 Port of Los Angeles Harbor Commission
 Port of Los Angeles Executive Director, Gene Seroka