

# **Mission Statement**

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## **Strategies and Critical Issues for Future Planning**



Approved by MX Board of Directors 12 November 2015  
With change 1 voted 11 April 2018

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Change 1 on page 9 raises reserve fund level from \$1.5M to \$1.8-\$2.0M.

## **Section 1.0: Executive Summary**

The Marine Exchange has a long and successful history, and this update to the Mission Statement, Strategies, and Critical Issues for Future Planning document is part of a continual self-examination to ensure the Marine Exchange remains successful for years to come.

This update contains the following:

### **Section 2.0: Organizational Background**

A general description of the various partners involved in the Marine Exchange, and the operation as it exists today.

### **Section 3.0: Partnership Overview**

Organizational Chart depicting the relative relationships between the operating Partners.

### **Section 4.0: Administrative / Organizational Structure**

Organizational Chart detailing the structure and relationships of the Marine Exchange staff.

### **Section 5.0: Business Process Overview**

A flow chart offering an overview of the actual business process.

### **Section 6.0: Mission Statement / Support Strategies**

This section contains the mission statement, vision, core values, operational goals, management objectives, and support strategies for the Marine Exchange

### **Section 7.0: Strategic / Critical Issues**

This section contains strategic and critical issues for guidance to the staff and their future planning.

It should be emphasized that this update is part of a continual review and evaluation process with the overall goal of continual improvement and ensuring the viability of the Marine Exchange as a firm for years to come.

## **Section 2.0: Organizational Background**

### **2.1 Marine Exchange**

The Marine Exchange is a private, not for profit service, that traces its history back to 1923. At that time San Pedro Bay was only an open roadstead with just a few privately owned piers and wharves and these were used by the few sailing vessels that had started serving the new and growing area of Southern California.

Lookouts and runners were regularly positioned at Signal Hill and Point Fermin, and they would be used to alert the local agents that their vessel was now in sight and arriving shortly. It was this practice that was considered the very beginning of the Marine Exchange as we know it. The method and the approach have become more sophisticated, but the essential function remains the same, in essence moving from semaphore into cyberspace.

### **2.2 U.S. Coast Guard (USCG) and Captain of the Port (COTP)**

The U.S. Coast Guard has the responsibility to take actions appropriate and necessary to ensure the overall safety of the port, including the safe movement of the vessels under the authority of the Ports and Waterway Safety Act. The Coast Guard is also responsible for search and rescue, aids to navigation, marine safety, marine environmental protection, marine mammal protection, maritime law enforcement, and national defense.

The Coast Guard has entered into the public private partnership to operate the Marine Exchange Vessel Traffic Service primarily to support the COTP's role of ensuring the safe, secure, efficient, reliable, and environmentally sound movement of vessels, but also to improve our performance in other Coast Guard missions as well both inside and outside the MX/VTS area of responsibility.

### **2.3 California Office of Spill Prevention and Response – State Authority**

The California Department of Fish and Game, Office of Spill Prevention and Response (OSPR) has, under the provisions of the Oil Spill Prevention and Response Act of 1990 (State Bill 2040 / Keene- Lambert- Seastrand), mandated a formal, regulated VTS program for the Ports of Los Angeles and Long Beach.

This mandate specifies the following provisions to be included in the Ports' published Tariffs and are in turn delegated to the Marine Exchange the following:

1. The application and enforcement of all State regulations, procedures, laws, and policies for VTS at Los Angeles and Long Beach Harbors.
2. Specification as to the vessels to be covered as well as the VTS area of responsibility.

3. Collection of User Fees to financially support the ongoing VTS operations by the Marine Exchange.

## **2.4 The Ports of Los Angeles and Long Beach**

The Ports of Los Angeles and Long Beach have a special partnership position with the Marine Exchange. Over the years they have provided critical support and financial resources. In addition to being customers of the Marine Exchange, Rules of Association require a representative of each Port be on the Board of Directors.

The Ports are directly involved as the conduit from the State of California to the Marine Exchange in the Marine Exchanges role as a Vessel Traffic Service (VTS). The ports also provide the mechanism whereby the VTS funding is collected from all vessels using the Ports by way of the Port's user tariffs.

## **2.5 Partnership Structure**

The private, 501c(6) non-profit Marine Exchange, along with the U.S. Coast Guard, the California State OSPR, and the respective port administrations have joined in a partnership that combines the resources of all to provide effective and efficient use of the user funding. The four basic elements to be expected of the partnership are:

1. There be a formal agreement.
2. That each partner to contribute something of value.
3. That the partnership create a synergy offering better management and better overall efficiency.
4. That the partnership serves safety, efficiency and a sound environment.

## **2.6 Partnership Operation**

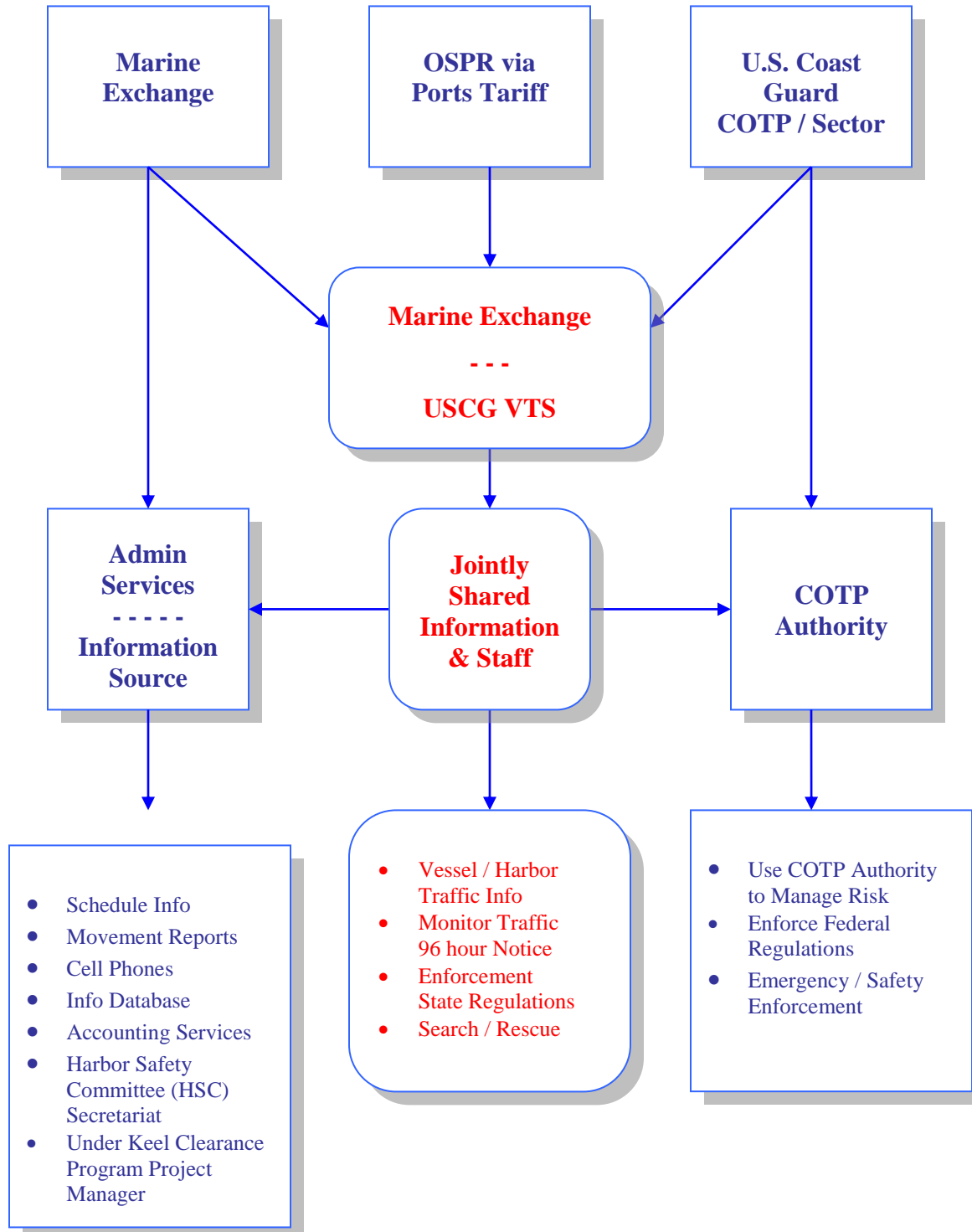
While all partners maintain their independent functions and authority, much of the work and information that supports the two operating partners (U.S. Coast Guard and Marine Exchange) is executed jointly and in the spirit of the trust and mutual respect.

The Marine Exchange continues to provide commercially viable community services and the full range of vessel activity information for the maritime industry and waterfront business community. The Marine Exchange also provides the enforcement and compliance role for all State regulatory issues in the movement and monitoring vessel activity.

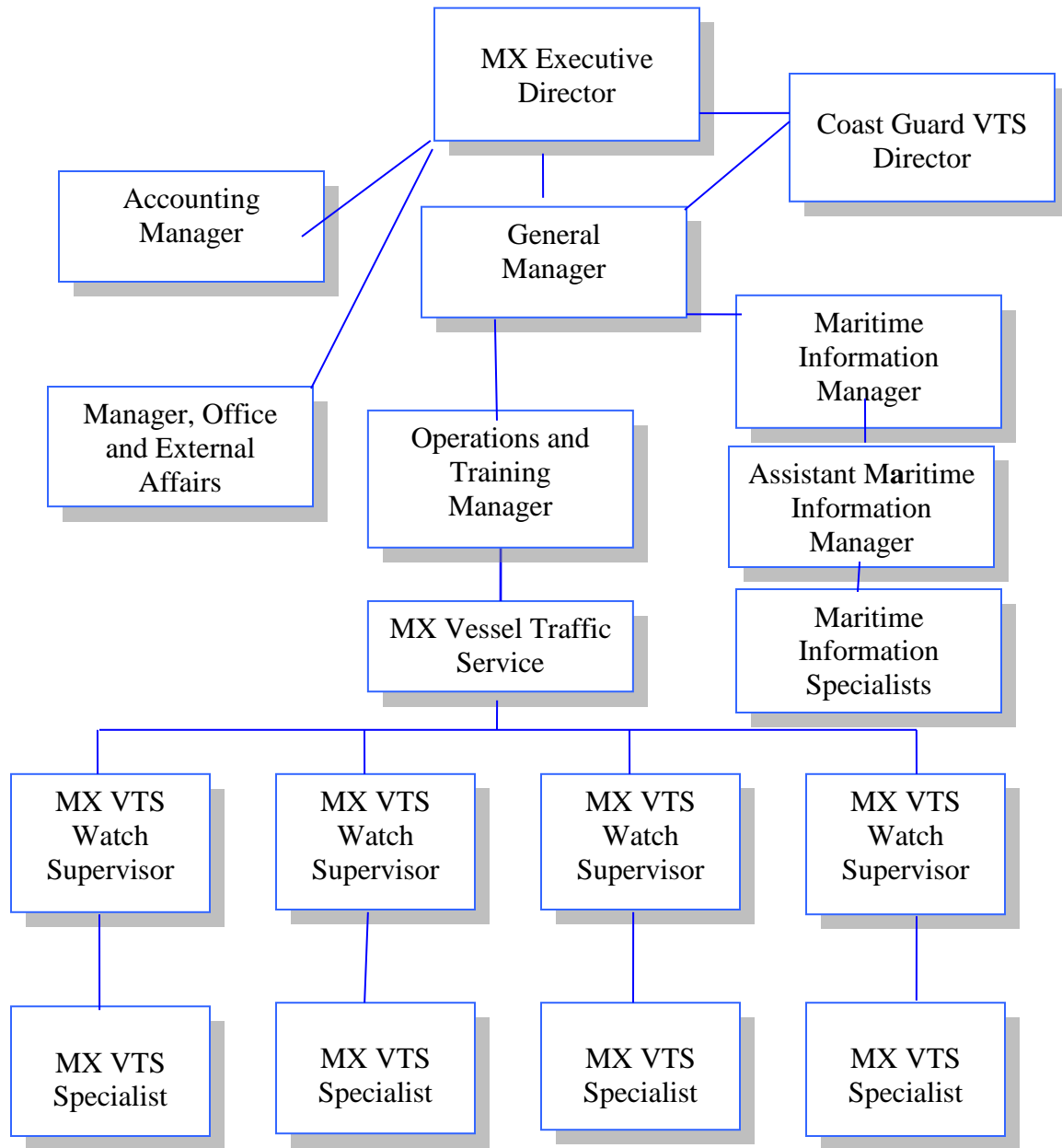
For their part, the U.S. Coast Guard provides movement guidance, safety and environmental enforcement under the traditional VTS authority of the Federal regulations.

### 3.0 PARTNERSHIP OVERVIEW

The following chart details the partnership relationships under the Marine Exchange

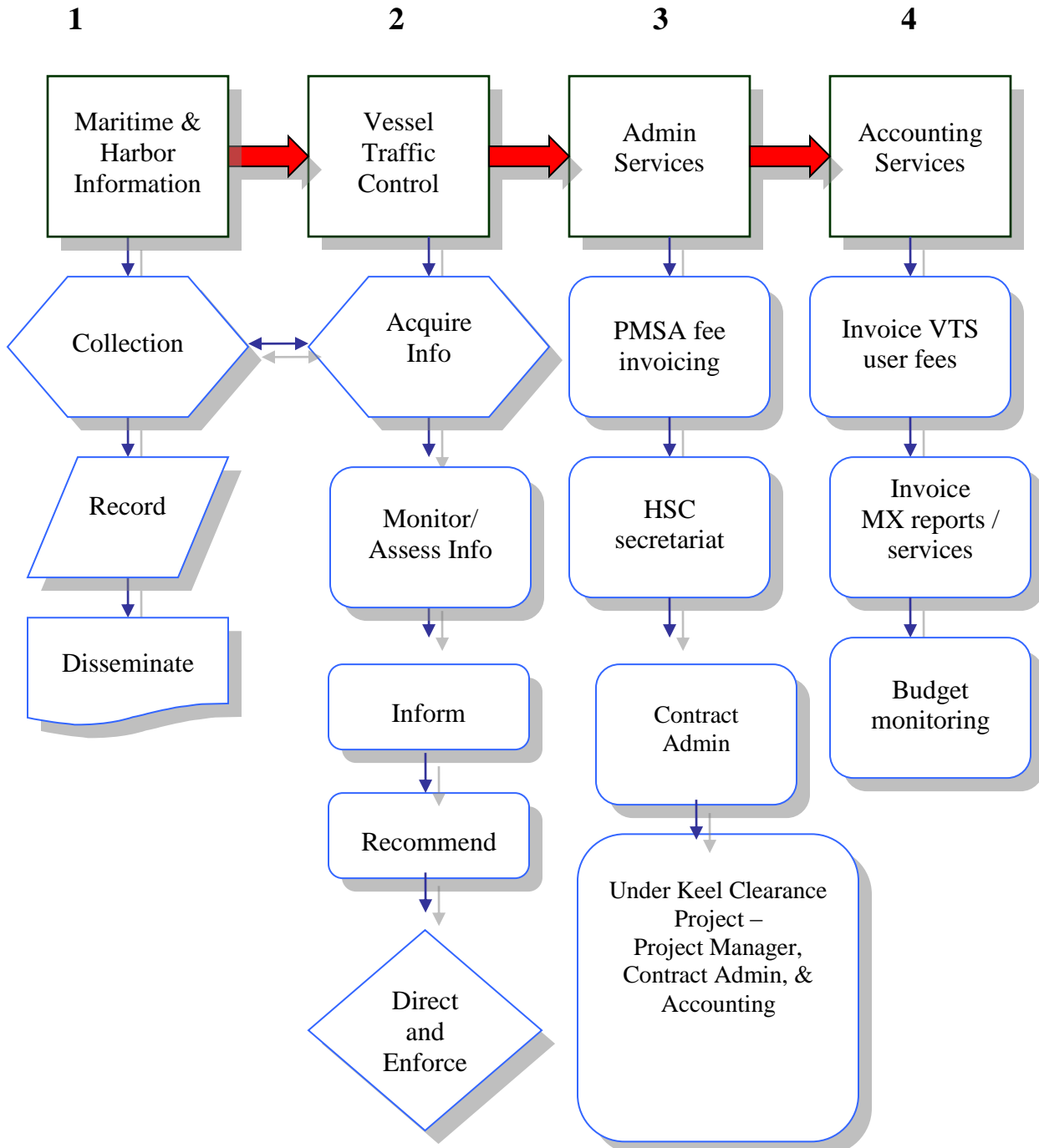


#### 4.0 ADMINISTRATIVE / ORGANIZATIONAL STRUCTURE



## 5.0 BUSINESS PROCESS OVERVIEW

Marine Exchange / VTS





## **6.0 Mission Statement / Support Strategies**

### **MISSION STATEMENT**

The Marine Exchange of Southern California, in partnership with Federal / U.S. Coast Guard, State, and Local government agencies, will be the leading provider of vessel traffic and maritime information related services in Southern California.

The Marine Exchange is a private, nonprofit 501c(6) organization that will continuously work to anticipate and fully meet the maritime information needs, communications needs, and vessel traffic requirements necessary to promote a safe, secure, efficient, reliable, and environmentally sound maritime transportation system.

**Vision:** Provide sustainable, independent, cost-efficient vessel traffic management and maritime information service for Southern California.

**Core Values:** Maintain our public / private partnership, information accuracy, customer service, vigilance, and integrity to our partners and industry.

#### **Operational Goals:**

1. Ensure safe, secure, efficient, reliable, and environmentally sound maritime transportation system in Southern California by providing an accurate, professional, and world class Maritime Information Service and Marine Exchange Vessel Traffic Service.
2. Facilitate commerce in Ports of Los Angeles and Long Beach.
3. Facilitate maritime domain awareness to Coast Guard Captain of the Port and other Port stakeholders across Southern California waters.

#### **Management Objectives:**

1. Deliver a sustainable, long-term business model.
  - a) Seek ways to reduce costs to VTS and MIS users.
  - b) Provide the highest quality products and services at the least possible cost.
  - c) Fully fund reserve fund at \$1,800,000-\$2,000,000 and capital fund \$80,000-\$100,000.
  - d) Determine funding source for recapitalization of Norcontrol and other high value equipment at the end of their service lives.
  - e) Conduct business development and develop potential new revenue streams.
2. Continue efforts to become environmentally sound, efficient, and sustainable.
3. Proactively leverage new technology to improve services.
  - a) Increase velocity of maritime information flow to users.

- b) Continue to improve and expand the common operating picture throughout area.
4. Strengthen partnerships between the Marine Exchange and Coast Guard, California Office of Spill Prevention, California Air Resources Board, Port of Los Angeles, Port of Long Beach and other pertinent regulatory agencies.

## **SUPPORT STRATEGIES**

We will achieve our stated mission by utilizing the following strategies:

### **Leadership**

Senior Management will provide leadership and sustain clear values, direction, performance expectations, customer focus and a leadership system throughout the organization.

### **Strategic Planning**

We will regularly determine the set strategic directions and key action plans. We will then translate them into an effective performance system.

### **Customer and Industry Focus**

We will establish procedures for identifying customer requirements and industry expectations.

### **Information and Analysis**

We will insure the effective use and analysis of data and information to support key organization processes and the organizations performance management system.

### **Personal Development and Management**

We will work to insure the staff develops to their full potential. We will also insure the Marine Exchange is always aligned with the organization's Mission and Objectives.

### **Process Management**

We will insure our work process is properly designed, documented, managed and open to improvement.

### **Business Results**

We will establish performance and improvement metrics in these key areas:

- Customer Satisfaction
- Budget Performance
- Human Resources
- Supplier Performance
- Partner Performance
- Operational Performance

## **7.0 STRATEGIC / CRITICAL ISSUES**

### **CORE BUSINESS**

The Marine Exchange's core business is seen as twofold

1. Providing Maritime Information Services. Collect, organize, disseminate, and communicate maritime information such as ship schedules, arrivals, departures, shifts, and summaries to the maritime community.
2. Providing Vessel Traffic Management Services. Enhance navigation Safety by managing and facilitating safe, reliable, efficient and environmentally safe movement of vessels as well as facilitating rule enforcement. This function is performed by the Marine Exchange Vessel Traffic Service, in partnership with the U.S. Coast Guard.

The Marine Exchange core business is located in the Ports of Long Beach and Los Angeles and their respective approaches. Marine Exchange does business as "The Marine Exchange of Southern California" and offers ship data for the Ports of San Diego, the Offshore Moorings of the Chevron El Segundo Refinery, and Port Hueneme.

### **7.2 BUSINESS DEVELOPMENT**

#### **REVENUE ISSUES**

The Marine Exchange / VTS is a user fee based operation and functions as a 501c(6) nonprofit organization.

User fees are on a 'per vessel' basis and as the industry opts for economies of scale, resulting in the industry trend to larger vessels, we expect the volume of vessels may flatten out or drop, in spite of the fact that cargo volume may increase.

**ACTION: Management should review the issue at least on an annual basis.**

#### **7.2.1 CORE BUSINESS DEVELOPMENT**

#### **INFORMATION / COMMUNICATIONS**

Data made available to the Marine Exchange would enhance our own information and increase staff efficiency. Data supplied to others could either generate revenue or provide advantageous community service.

**ACTION: Management should look for opportunities that would allow electronic data sharing that would benefit subscribers or other port entities.**

(See also comments under technology- Website)

#### **CUSTOMER SATISFACTION- QUALITY**

The highest level of customer service and quality products are to be the Marine Exchange's standard of operation. This is believed to be particularly important in cases where we deliver non-core business as this will also reflect on the customer's perception of the Marine Exchange in total.

**ACTION: Management should evaluate customer satisfaction surveys on regular basis, on all services, to insure consistent delivery of a quality product.**

### **7.2.2 NON-CORE BUSINESS DEVELOPMENT**

#### **POLICY**

Non-core activity that does not infringe on other strictly commercial operations can be explored, provided they relate directly to our specific mission and fill a special need of the community.

Non-core activities presently in place are as follows:

**Ad Hoc information Research:** From time to time, requests are received from various port entities for record research. The staff provides the information and a research fee is assessed.

**Cellular Telephone Rentals**

**Secretariat functions for the HSC**

**Billing functions for the PMSA**

**Project Management, Contracting, and Accounting functions for the Under Keel Clearance Project.**

### **7.3 TECHNOLOGY**

#### **DEVELOPMENT**

We anticipate technology and technology advancements will be a major factor in the future development of the Marine Exchange.

#### **INTERNET- WEBSITE**

The internet is proving useful to enhance staff and customer communications, and provides information and its dissemination. The Marine Exchange will strive to provide continuous improvements and upgrades through this means, as well as its website, as technology advances.

**ACTION: Stay current with website and internet state of the market capabilities.**

#### **AUTOMATED IDENTIFICATION SYSTEM (AIS) - VTS**

AIS has dramatically improved the vessel traffic safety posture. Additionally, it is showing ever increasing ways to improve ship information. The Marine Exchange will strive to take advantage of its AIS capability at every opportunity

**ACTION: The staff shall closely monitor this area and take action as appropriate.**

### **7.4 QUALITY INITIATIVE**

The Mission Statement is supported by 7 key strategies. These strategies are the 7 critical areas defined in the Malcolm Baldrige Quality Process.

The U.S. Coast Guard HQ staff has already committed to implementing the Baldrige process. The Marine Exchange, in following the same approach, is expected to compliment the USCG effort and work for the benefit of all.

**ACTION: The Marine Exchange staff will incorporate the criteria used under the Baldrige Process.**

#### **7.6 U.S. COAST GUARD (USCG) PARTNERSHIP**

USCG staff and the civilian MX staff are expected to work together on a fully integrated basis for the benefit of the Marine Exchange, the USCG and the user community.

It is recognized that the USCG authority is through the Captain of the Port and that this authority can only be delegated to other USCG personnel.

**ACTION: When communicating with vessels or the general public, the Marine Exchange staff must be certain to ensure there is no confusion as to the Marine Exchange functions and authority in relation to those of the USCG.**

#### **7.7 CALIFORNIA OFFICE OF OIL SPILL PREVENTION AND RESPONSE (OSPR) PARTNERSHIP**

The California State provides the power to enforce State regulations to the respective Port Administration of Los Angeles and Long Beach.

The Marine Exchange recognizes the critical support received from the state of California OSPR Department.

**ACTION: The Marine Exchange shall ensure it remains a good partner to all government agencies and to work for our mutual best interests whenever possible.**

#### **7.8 RELATIONSHIPS WITH THE PORTS OF LOS ANGELES AND LONG BEACH (LA/LB)**

Based on the delegated OSPR / California State authority, the Los Angeles and Long Beach Port Administrations then, in turn, empower the Marine Exchange through the Ports' published tariffs.

The Marine Exchange recognizes the critical support received from the respective Ports of Los Angeles and of Long Beach.

**ACTION: The Marine Exchange shall ensure we remain as a good partner to both ports and to work for our mutual best interests whenever possible.**

#### **7.9 INTERACTION WITH OTHER MARINE EXCHANGES and VESSEL TRAFFIC SERVICES**

Because the Marine Exchange of Los Angeles and Long Beach is the only marine exchange that functions in direct partnership with the Federal Government through the USCG, it has provided and continues to provide leadership and assistance to other exchanges.

It is recognized that different ports will have their own specific circumstances and requirements, and that VTS implementation will differ, however the Marine Exchange will continue to assist others, and to share and receive information of mutual benefit using organizations such as the Marine Information Services of North America (MISNA).

**ACTION: The Marine Exchange will maintain a close level of contact with all Marine Exchange developments, particularly in the area of USCG participation and technology development. The present forum for this contact is recognized as being MISNA, but that should be our minimum contact basis.**

#### **7.10 BUSINESS PROCESS REVIEW**

Section 5.0 provides an overview of the four basic business process modules. The board believes that continued development of the business process, in the form of flow chart mapping will be beneficial. Both management and staff should jointly participate and contribute.

**ACTION: Management should incorporate a plan to develop the continued mapping of the full business process, with staff participation, in order to provide an opportunity for process improvements.**