



## **FOR IMMEDIATE RELEASE**

PierPass Customer Service Numbers:

877-863-3310 (from inside the United States)

1-973-355-3575 (from outside the United States)

Media Contact: Anne Heise

Ogilvy Public Relations Worldwide

415-677-2731

anne.heise@ogilvypr.com

### **Marine Terminal Operators to Eliminate One OffPeak Shift as Cargo Volume Falls**

LONG BEACH, Calif., March 12, 2009 – Marine terminal operators at the Ports of Los Angeles and Long Beach today announced they will each eliminate one Thursday or one Saturday PierPass OffPeak shift per week due to declining cargo volume. Marine terminal operators that close a Thursday OffPeak gate will maintain a Saturday OffPeak gate, and vice versa.

The new schedule is effective the week of April 6. An updated OffPeak schedule will be available on the PierPass website at [www.pierpass-tmf.org](http://www.pierpass-tmf.org).

With the dramatic drop in cargo volume amid the economic crisis, terminal operators must take measures to reduce their operational costs. Volume is down 32 percent at the ports of Los Angeles and Long Beach in the fourth quarter of 2008 compared to same time period in 2007.

“We evaluated a range of options and consulted extensively with our stakeholders,” said PierPass President and CEO Bruce Wargo. “The choice of eliminating either one Thursday or one Saturday OffPeak shift per week gives each terminal operator the flexibility to determine which OffPeak gate closure would be least disruptive to their customers and operations.”

Most importantly, Wargo added, “Maintaining the viability of the OffPeak program through this economic downturn means the program will continue to provide its benefits of reduced congestion and air pollution. Because the OffPeak program remains in operation, PierPass will be able to easily add back additional shifts when cargo volume recovers and congestion pressures begin to return.”

The marine terminal operators, through an independent consultant, analyzed the current costs for the OffPeak program, assessing current traffic patterns and volume and the impact of ending a Thursday or Saturday shift.

The drop in cargo volume translates into reduced collection of the Traffic Mitigation Fee (TMF) charged on cargo container moves during peak daytime hours. In addition to providing a financial incentive to move cargo during the OffPeak shifts, the TMF is intended to cover the incremental cost of adding five shifts per week.

Since its inception in 2005, revenue from TMF collection has not fully covered the added costs of operating the five OffPeak program shifts. In the fourth quarter of 2008, the actual cost of OffPeak gates was \$79 per TEU compared to the fee of \$50 per TEU, the analysis determined. (A TEU, or twenty-foot equivalent unit, is half the size of the most common containers). Eliminating one of the shifts each week should produce a savings between \$17 per TEU and \$25 per TEU.



The cost to operate OffPeak gates is relatively fixed, so a decrease in cargo volume translates into an increase in the OffPeak cost per TEU.

The OffPeak program was established in 2005 to reduce congestion and air pollution in and around the Los Angeles and Long Beach ports. Under the program, all international container terminals in the two ports established five new shifts per week (Monday through Thursday from 6 p.m. to 3 a.m. and Saturday from 8 a.m. to 6 p.m.). As an incentive to use the new OffPeak shifts and to cover the added cost of the shifts, a Traffic Mitigation Fee ("TMF") is required for most cargo movement during peak hours (Monday through Friday, 3 a.m. to 6 p.m.). The program is administered by PierPass, a not-for-profit company created by marine terminal operators at the ports to address multi-terminal issues such as congestion, security and air quality.

For more information, please go to [www.PierPass.org](http://www.PierPass.org).

# # #