



Overview of PierPass and the OffPeak Program

PierPass Inc. is a not-for-profit company created by marine terminal operators at the Port of Los Angeles and Port of Long Beach to address multi-terminal issues such as congestion, air quality and security.

PierPass launched the OffPeak program in 2005 to reduce severe cargo-related congestion on local streets and highways around the Los Angeles and Long Beach ports. OffPeak established regular night and Saturday work shifts to handle trucks delivering and picking up containers at the 13 container terminals in the two adjacent ports.

PierPass developed OffPeak as a market-based solution to what was then a critical public problem: after a rapid rise in cargo volume in the early 2000s, drayage trucks were causing severe congestion on the roads and highways and in the neighborhoods around the ports, while thousands of idling trucks caught in this traffic every day added to air pollution. The ports came under strong community and political pressure to find a solution.

OffPeak nearly doubled the potential capacity of the ports without requiring taxpayer funding or waiting years for new infrastructure construction. Since 2005, OffPeak has taken more than 35 million truck trips out of daytime Southern California traffic and diverted them to less congested nights and weekends.

Prior to the OffPeak program, 88% of the containers that were picked up and delivered to the ports by truck did so within the first shift of operations, between 8:00 a.m. and 5:00 p.m., Monday through Friday. Since the OffPeak Program's started in 2005, approximately 50% of the trucks call during the first shift and 50% during the OffPeak shifts between 6:00 p.m. and 3:00 a.m. on weekdays and between 8:00 a.m. and 5:00 p.m. on Saturdays.

On an average OffPeak weeknight shift in the spring of 2016, 15,000 trucks visited the ports. If all of these trucks were lined up bumper-to-bumper, they would form a line 160 miles long, stretching more than halfway to Las Vegas. Without the OffPeak program, this cargo would be crammed into a single day shift, doubling daytime volumes and once again causing severe congestion, leaving truck drivers stuck in hours-long jams.

Using a congestion pricing model, PierPass charges a Traffic Mitigation Fee (TMF) on weekday daytime cargo moves to incentivize cargo owners to use the OffPeak shifts. The TMF also helps pay for the labor and other costs of operating the OffPeak shifts. All fees collected, minus the costs incurred by PierPass to manage the program, are allocated to the terminal operators according to the volume of cargo they handle.

PierPass was established by the West Coast MTO Agreement, which is on file with the Federal Maritime Commission.

To learn what it takes for a truck to drop off or pick up a container at a marine terminal, see <http://youtu.be/P9IJN1yIIJ4>. For additional information, please see www.pierpass.org.