

# PierPass Advisory Committee and Extended Gates Subcommittee Meeting

January 29, 2019  
San Pedro, CA

## Agenda

- I. Governance/protocol/attendance
- II. Review of OffPeak program and introduction of 2.0
- III. Overview of appointment systems
- IV. Open discussions
  - A. How has 2.0 been working?
    - 1. Input from BCOs
    - 2. Input from trucking
    - 3. Brokers and others in the supply chain
    - 4. Input from MTOs
  - B. Reviewing recommendations
- V. Take-aways
- VI. Other
- VII. Next meeting - October

Adjourn

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# A look back at “Why” we addressed extended gates

Before the OffPeak program, 88% of containers were picked-up or delivered between 8:00 a.m. and 5:00 p.m.



Calls came locally  
and on a state  
level for the  
terminal  
operators to  
address the  
congestion

# Los Angeles Times

October 22, 2003

## Keep on Trucking at the Ports

By James Flanigan

"Either the ports change on their own or face an uprising by the people that will put a cap on their growth," says Janice Hahn, who represents the harbor area on the Los Angeles City Council.



WCMTOA, the West  
Coast MTO Agreement,  
was formed

# PierPass's role with the OffPeak program



WCMTOA is made up of 12 container terminal operator members in the Ports of Los Angeles and Long Beach. WCMTOA is filed with the FMC (Federal Maritime Commission)



WCMTOA established the OffPeak program



PierPass manages the OffPeak program

# WCMTOA Established a TMF (Traffic Mitigation Fee) for the extended gate shift

- Originally, traffic was mitigated by incentivizing containers to move during the 2<sup>nd</sup> shift by exempting them from the TMF
- The TMF was used to help offset costs of the extended gates

# Determining the TMF Rate

OffPeak costs were determined for the extended gates using 2<sup>nd</sup> shift costs based on:

- ILWU labor for the yard and gate only
- Non-ILWU labor for the yard and gate only
- Equipment costs for the yard and gate only
- Administrative costs



# The TMF Rate

In 2017...

- ❑ \$197M collected from the TMF was distributed to the WCMTOA members
- ❑ The OffPeak program cost the WCMTOA members \$274M

JOC > Port News > US Ports > Port of New York and New Jersey

### NY-NJ terminals battle cargo backlogs, extend gate hours

Joseph Bonney, Sr

JOC > Port News > US Ports > Port of Oakland

### Oakland terminal operator makes extended gate hours permanent

Bill Mongelluzzo, Senior Editor | Sep 20, 2016 2:59PM EDT

print | social media icons



Most container term longshoremen's unk



JOC > Port News > US Ports > Port of Virginia

### Virginia port extends gate hours to avoid peak season woes

Reyno

JOC > Port News > US Ports > Port of Seattle

### Seattle-Tacoma night gates gain momentum

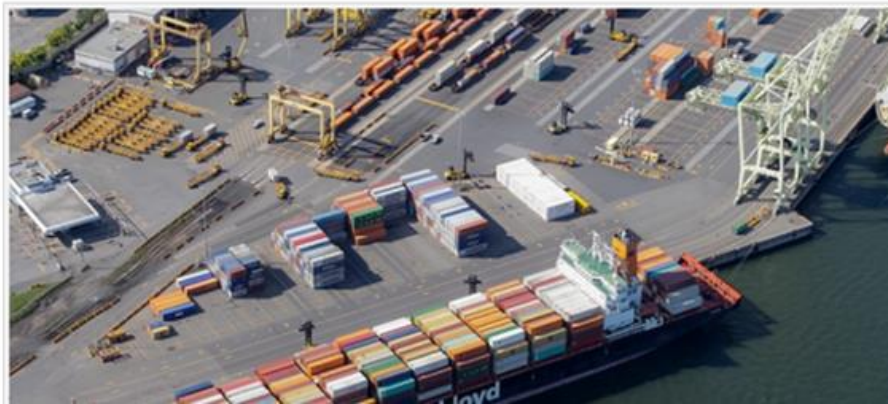
Bill Mongelluzzo, Senior Editor | Oct 05, 2016 2:43PM EDT

JOC > Port News > International Ports > Port of Montreal

### Montreal congestion, turn times decline with extended gate hours

Hugh R. Morley, Senior Editor | May 23, 2018 5:01PM EDT

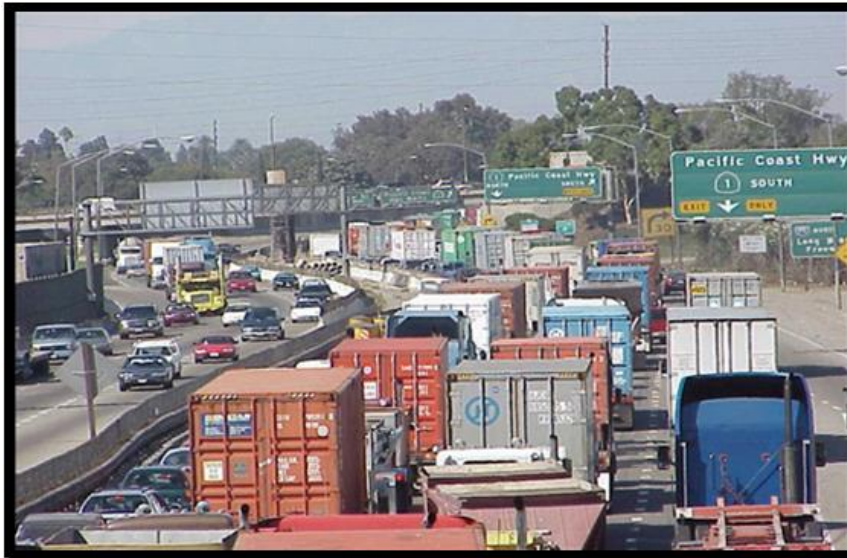
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Extended Gate Programs  
Once innovative –  
now the norm

# Successful Results

Reduced daytime volumes from 88% to approximately 50+%.  
Diverted more than 43 million trucks away from peak traffic.



**Before the OffPeak program**



**After the OffPeak program**

“if it ain’t broke, don’t fix it!”

Why change the OffPeak program? Why go to a 2.0?

# Why Change The OffPeak Program?



WCMTOA listened to industry calls for a change and responded

- Held Town Hall style meetings with BCOs, Customs Brokers, Freight Forwarders, Trucking Cos., Marine Terminal Operators, Port Authorities, Elected Officials and Associations
- Established the Extended Gates Subcommittee (EGSC) and had meetings with the EGSC and the PierPass Advisory Committee
- Circulated working papers
- Hired transportation consultants
- Reviewed alternative models

# Why Change The OffPeak Program?



## What was heard:

- Address the truck bunching between the Peak and OffPeak shifts – trucks queuing-up; starting at 3 pm
- Better planning with appointment systems
- Better planning with common business rules
- Possibly increase dual transactions as empties (exempt) would not be brought back during the day
- Reduce the TMF by spreading it across more shifts
- Do not opt for the port-wide peel-off or dynamic pricing models

# Changing the OffPeak Program

- WCMTOA members approved plans to amend the OffPeak program
- Filings were made with the Federal Maritime Commission and the program's changes were implemented on November 19, 2018

# Changes to the OffPeak Program

- The TMF is now applicable on all non-exempt containers during all days/all shifts
- The TMF rate was reduced from \$72.09 per TEU to \$31.52 per TEU
  - The adjusted TMF maintained revenue neutrality with the previous TMF, including the annual adjustment for ILWU wage increases

# Changes to the OffPeak Program

- Definition of “exempt” containers
  - Empty containers
  - Rail intermodal containers
  - Transshipped containers (cargo that arrives at the Port of Los Angeles or Long Beach on one vessel and leaves on a second vessel without entering U.S. commerce)
  - Domestic cargo
  - ~~Cargo moving during off-peak hours~~



# Changes to the OffPeak Program

## Common business rules were filed

- Import containers require appointments
- Appointment windows are two hours
- No appointments after 3:30 p.m. on the 1<sup>st</sup> shift and 1:30 a.m. on the 2<sup>nd</sup> shift

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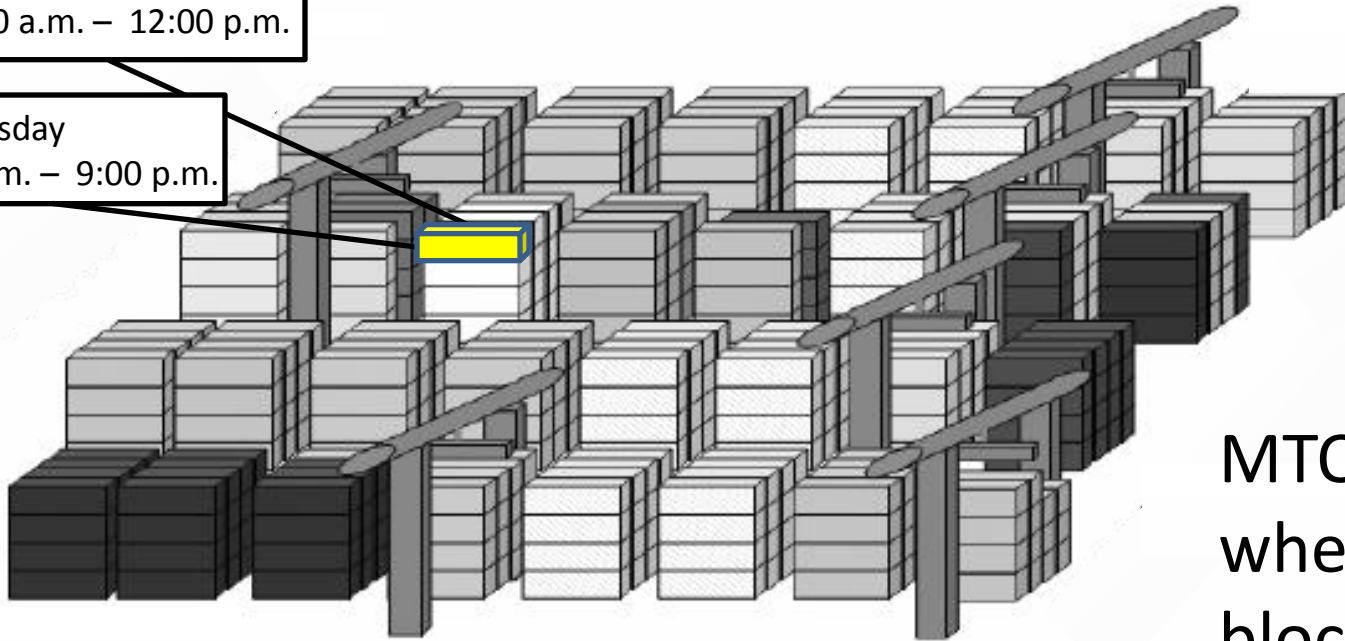
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# Appointment Systems Overview

Tuesday  
10:00 a.m. – 12:00 p.m.

Wednesday  
7:00 p.m. – 9:00 p.m.



MTOs' schedule  
when to work  
blocks of  
containers on  
the terminal

The day and time will be displayed on the terminal's web-based appointment system.



Select an appointment as soon as possible to avoid waiting until free time expires

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