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### **Marine Terminal Operators at the Ports of Los Angeles and Long Beach Postpone TMF Adjustment to August 1**

LONG BEACH, Calif., June 27, 2011 – The West Coast MTO Agreement (WCMTOA) today announced it will postpone until August 1 its planned adjustment to the Traffic Mitigation Fee (TMF) at the Ports of Los Angeles and Long Beach. The schedule change is in response to feedback from customers and other partners in the goods movement industry, and is intended to provide more time for cargo owners to prepare for the adjusted TMF.

On August 1, 2011, the TMF will increase to \$60 per TEU (twenty-foot equivalent unit) or \$120 per FEU (forty-foot equivalent unit), from \$50 per TEU currently. The TMF adjustment was originally planned to take effect on July 4.

“By reducing operating losses for the PierPass OffPeak program, the TMF adjustment will enable terminal operators to continue operating the extra shifts that reduce congestion and air pollution in and around the ports,” said Bruce Wargo, president of PierPass, the non-profit formed by WCMTOA in 2005 that runs the OffPeak program. “I want to thank the Ports of Los Angeles and Long Beach for their continued support of the PierPass OffPeak program and for working with their terminal operator tenants to maintain the position of the ports as the nation’s premier cargo gateway.”

By nearly doubling the number of operating hours per week, the PierPass OffPeak program provides tremendous value and future growth potential to the goods movement industry, greatly increasing the capacity of America’s largest port complex without requiring additional infrastructure. Staffing the additional shifts (currently four to five per week, depending on the terminal) also provides additional work opportunities for truckers and cargo operations due to expanded economic activity in and around the ports.

This is the first increase in the TMF since 2006. Since then, hourly labor costs have increased 31 percent. The terminals have operated the OffPeak gates at a loss since the program’s start in 2005. The shortfall between TMF revenues and OffPeak gate costs was \$52.3 million in 2010.

The PierPass OffPeak program is an industry-led solution created in response to government, local community and cargo owner requests to tackle the port congestion issue that peaked in 2004.

“Before PierPass was created in 2005, the ports and nearby roads were gridlocked, ships were backed up in the harbor unable to unload, and cargo owners suffered long delays in receiving and shipping vital goods,” Wargo said. “Over the past six years, PierPass OffPeak gates have grown to handle approximately 55 percent of all container traffic at the ports, accommodated close to 20 million truck transactions, and greatly eased congestion on city streets and nearby freeways during daytime business hours. The TMF helps fund the nighttime and Saturday gates that make these benefits possible.”

#### **About PierPass**

PierPass is a not-for-profit company created by marine terminal operators at the Ports of Los Angeles and Long Beach in 2005 to address multi-terminal issues such as congestion, security and air quality. Under the program, all international container terminals in the two ports operate four to five additional shifts per

week. As an incentive to use the new OffPeak shifts and to help 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 West Coast Marine Terminal Operator Agreement is filed with the Federal Maritime Commission, and comprises the 13 international MTOs serving the Ports of Los Angeles and Long Beach.

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