

# WCMTOA's OffPeak Program Managed by PierPass

## OffPeak Program 2.0

Presented to the  
AgTC  
Teleconference  
October 30, 2018

# Why do we have the current OffPeak Program?



To reduce congestion.

88% of containers were previously picked-up or delivered during the day between 8:00 a.m. and 5:00 p.m.



How does the OffPeak Program address congestion?

With extended gates.

Before July 2005, the container terminals operated with fixed schedules:

Monday-Friday, 1<sup>st</sup> shift, 8:00 a.m. – 5:00 p.m.

Extended gates were ad-hoc and their costs were negotiated between the terminals and various parties, i.e., an ocean carrier or a BCO

# 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.

An extended gates program was needed



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 on behalf of WCMTOA

## WCMTOA Established a TMF (Traffic Mitigation Fee) for the 2<sup>nd</sup> shift, called OffPeak

- Mitigate traffic by incentivizing containers to move during the OffPeak
- Apply the TMF toward the costs of the extended gates

# WCMTOA Established a Fixed Schedule of Extended Gates



TERMINAL	Monday Night	Tuesday Night	Wednesday Night	Thursday Night	Friday Night	Saturday Day	Sunday
APM Terminals	O	O	O	O	X	X	X
Eagle Marine Services	O	O	O	O	X	X	X
Everport Terminal Services	O	O	O	X	X	O	X
Int'l Transportation Service	O	O	O	O	X	X	X
LBCT	O	O	O	O	X	O	X
Pacific Maritime Services	O	O	O	O	X	X	X
SSAT (Pier A) LLC	O	O	O	O	X	X	X
SSA Terminals LLC	O	O	X	O	O	X	X
Total Terminals Int'l	O	O	O	O	X	X	X
Trapac	O	O	O	O	X	X	X
West Basin Container Terminal	O	O	O	O	X	X	X
Yusen Terminals	O	O	O	O	X	X <sup>1</sup>	X

Note 1: "O" indicates a terminal is open during that shift. "X" indicates a terminal is closed during that shift.



# 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

In 2017...

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

# The TMF is Paid by Cargo Owners

WCMTOA Schedule No. 1, Rule 2 (P), Definitions

USER – Means (i) any person, company or other entity that is named as shipper or consignee on the ocean common carrier bill of lading issued for Export or Import Cargo, or any person owning or entitled to the possession of the Export or Import Cargo or having a past or future interest in said cargo; (ii) in the case of negotiable bills of lading, any other person, company or other entity that is a bona fide holder of the bill of lading or who is entitled to receive delivery of Export Cargo or Import Cargo; and (iii) any other bailor of Export or Import Cargo.

# Successful Results

Launched in July 2005, the OffPeak program's extended gates have diverted more than 43 million trucks to nights and weekends

"For the last decade, PierPass has instituted innovative and creative problem solving for the goods movement industry in Southern California," "Their program has helped to bring jobs to America's #1 port, while helping us reduce our environmental footprint in the Harbor area."

- **Eric Garcetti, Mayor, Los Angeles**

"The OffPeak program has facilitated the continued growth of the Port of Long Beach, while lowering the adverse environmental impacts of their operations."

- **Robert Garcia, Mayor, Long Beach**

# Successful Results

Reduced daytime volumes from 88% to approximately 50+%



**Before the OffPeak program**

**After the OffPeak program**

“Given the success of OffPeak, many don’t remember how bad it was at the ports in the years before the program’s creation. The OffPeak program really helped reduce the stress on port-adjacent communities and traffic on key freeways.”

**- Congressman Alan Lowenthal**



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



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

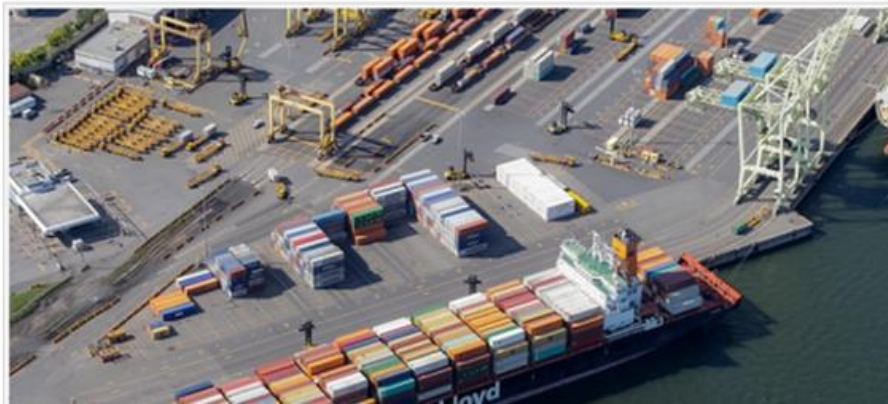
Bill Mongelluzzo, Senior Editor | Oct 05, 2016 2:43PM EDT

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

print



Extended Gate Programs  
Once innovative –  
now the norm

# 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 held smaller meetings with the EGSC and the PierPass Advisory Committee
- Circulated working papers
- Hired transportations 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

# Getting to 2.0 – The Process

1. WCMTOA amended its current agreement filed with the FMC to address program changes and submitted it.
2. The FMC received it and had 45 days to either allow the program to go into effect or ask for additional information. The FMC issued a Request For Additional Information (RFAI).
3. WCMTOA answered the RFAI starting a new 45 day clock, which ends on Nov 19th.
4. The FMC can challenge the program or allow it to go into effect on Nov 19<sup>th</sup>.



# What's New and What's The Same?

OffPeak Program	1.0	2.0
Effective date	July 23, 2005	Nov. 19, 2018 subject to the conclusion of applicable Federal Maritime Commission procedures.
The TMF is applicable	3:00 a.m. to 5:59 p.m. Monday through Friday (excluding holidays)	All shifts; all days
Appointments	Are required at terminal's discretion	Are required for all import container pickups
Appointments are to be made	With the terminal using their own terminal appointment system See <a href="http://wcmtoa.org/appointment-systems/">http://wcmtoa.org/appointment-systems/</a>	With the terminal using their own terminal appointment system See <a href="http://wcmtoa.org/appointment-systems/">http://wcmtoa.org/appointment-systems/</a>
Common business rules	As per WCMTOA Marine Terminal Schedule No. 1	As per WCMTOA Marine Terminal Schedule No. 1 which now includes (1) two hour appointment windows and (2) the last appointment times of the day will be 3:30 p.m. on the first shift and 1:30 a.m. on the second shift
TMF Rate	\$72.09/20' \$144.18 for all other sizes of containers	\$31.52/20' \$63.04 for all other sizes of containers
Exempt from the TMF	<ul style="list-style-type: none"> <li>• Empty containers</li> <li>• Rail intermodal containers</li> <li>• Cargo moving during off-peak hours</li> <li>• 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)</li> <li>• Domestic cargo</li> <li>• Bare chassis</li> </ul>	<ul style="list-style-type: none"> <li>• Empty containers</li> <li>• Rail intermodal containers</li> <li>• 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)</li> <li>• Domestic cargo</li> <li>• Bare chassis</li> </ul>
Pay the TMF at	<a href="http://www.pierpass-tmf.org">www.pierpass-tmf.org</a>	<a href="http://www.pierpass-tmf.org">www.pierpass-tmf.org</a>
FAQs	<a href="http://www.pierpass.org/wp-content/uploads/2018/04/QA-on-New-OffPeak-Program_4-16-18.pdf">www.pierpass.org/wp-content/uploads/2018/04/QA-on-New-OffPeak-Program_4-16-18.pdf</a>	
MTO contacts	<a href="http://wcmtoa.org/terminals/contacts/">http://wcmtoa.org/terminals/contacts/</a>	

Thank you

Questions?