



## PierPass Program

Marine Terminal Operators have developed PierPass, a private-sector initiative designed to address traffic congestion and air pollution concerns at the ports of Long Beach and Los Angeles. PierPass will facilitate the opening of coordinated, off-peak operations at international container terminals at the ports on or about November 1.

The program will duplicate the dayside truck handling capacity of terminals at night and during weekends when trucks won't compete with local commuters. PierPass should reduce truck traffic on area roads and freeways and reduce air pollution from idling trucks.

A new Traffic Mitigation Fee will be used to offset the additional costs required to staff weekend and night operations, estimated to be more than \$150 million annually.

Other key features of the program are:

- Creation of a new special purpose entity (SPE) called PierPass, Inc., to establish and administer a traffic congestion mitigation fee. PierPass will evaluate and adjust the fee on a quarterly basis.
- The phase-in of night and weekend operations, subject to the availability of skilled and trained labor, on approximately November 1.
- All international containerized cargo terminals at the two ports are participating in PierPass and all will begin offering full-service, off-peak services at the same time in a coordinated manner.
- Establishment of a \$20 per TEU Traffic Mitigation Fee on all loaded international containers that move through the ports of Long Beach and Los Angeles. (TEU refers to Twenty-foot Equivalent Units. Cargo containers are either 20 feet in length or 40 feet in length. A 40-foot container is the same as two TEUs.)
- The Traffic Mitigation Fee to be paid by cargo owners, will be assessed on all containers prior to movement through the Marine Terminal Operators' gates. Cargo owners who pick up or deliver containers during off-peak hours will receive a refund of the fee. Cargo that moves into and out of the port using the Alameda Corridor rail service also will receive a refund.

- Introduction of new technology to allow for the faster transfer of electronic data as trucks move into and out of terminals. This new technology, such as Radio Frequency Identification Devices (RFID) and Optical Character Recognition (OCR) equipment, will speed terminal transactions, provide accurate assessment tools to determine if the program is successful, and give local officials a resource to assess impacts on area roads and freeways.
- An ambitious public education and outreach program designed to educate participants in a complex international supply chain about the traffic mitigation program and to encourage them to change business practices to make full use of off-peak services.
- The program will sunset in three years, unless it is extended or modified based on evaluations of its effectiveness.

Benefits of the program include the following:

- Port workers will benefit from an increase in the number of waterfront jobs.
- Communities will benefit by reduced daytime truck traffic near the port.
- Reduced traffic, gate and terminal congestion will allow truckers to increase the number of trips they make.
- Faster transaction times for truck drivers due to RFID technology.
- Improved air quality as trucks spend less time in traffic and operate more efficiently.
- Cargo owners will benefit from an efficient, private-sector system that is temporary, audited and transparent.
- RFID will enhance port security by ensuring that all trucks and truck drivers entering terminals have a “known business reason” for being there.
- Continued support for international trade and the economic benefits it provides.