



January 29, 2009

Bruce Wargo
Executive Director
PierPass, Inc.
100 Ocean Gate
Suite 410
Long Beach, CA 90802

Dear Bruce:

The recent discussions regarding the closure of some after-hour or weekend gates under the current PierPass program will have a significant impact on the shipping community from a cost and consistency standpoint if implemented. If enacted it also begins to unravel the benefits that were originally associated with the program in reduced congestion on the freeways during peak traffic hours and potentially increases idling times once again at the Terminals. None of us really want to see these changes take place, yet we fully recognize and understand the financial impact that has been placed on the terminal operators as a result of declining volumes in the Southern California ports.

On behalf of the Waterfront Coalition, I would like to encourage you and the leadership team of PierPass to create a stakeholder group that could sit down to gain a better understanding of the impacts that reduced volumes and current off-hours operations have on the terminal operators, along with the impact to stakeholders of reduced off-hour gates. The objective of this stakeholder group is to come up with a workable solution to maintain some framework for the off-hour gate program in light of declining cargo volumes for terminal operators.

I recognize that PierPass already has an advisory board, but we would propose to increase the size of this special group to include an equal number of participants from licensed motor carriers, warehouse and distribution facilities, terminal operators, ocean carriers, railroads and cargo owners. In the absence of a new and separate stakeholder group, we would encourage you to consider making some changes to expand the advisory board to ensure there is strong stakeholder participation.

We also recognize that identifying these alternative solutions to maintain the PierPass program given declining volumes is time sensitive to your members. To that end, we propose convening this stakeholder meeting the afternoon of March 4, 2008 at the Westin Bonaventure Hotel in Los Angeles. This date directly proceeds the Trans-Pacific Maritime Conference when many, if not all, stakeholders will be present. The Waterfront

Coalition will also host a meeting that morning and we can use that space at the Bonaventure hotel for this stakeholder meeting.

In order to make for a productive meeting to discuss these workable changes to the PierPass program, we ask that you forward needed data to the invited stakeholder members. Specifically, we are looking for data on port-wide gate traffic by day and shift to determine the popularity of each off-hour offering. We do not request this gate information by terminal. We also request financial information provided by the independent auditors to PierPass concerning revenues and costs by shift. Once again, we do not request this information by terminal. If this is an acceptable approach, we would like to secure this information by Wednesday, February 25th. This will allow the stakeholder members time to draft some alternative approaches prior to the meeting taking place.

Please review this recommendation with the leadership team at PierPass and give us your thoughts and comments.

Sincerely,

Rick Gabrielson
President

CC: John Hemingway, Chairman
Alan McCokle
George Lang
Nathan Seeds
John Miller
John Loerich
David Mehus
David Adam