

PierPass Posts “2.0” Update Results One Third of Appointments Unused at LA/Long Beach Terminals Under Revised OffPeak Program

LONG BEACH, Calif., July 25, 2019—More than one third of available appointments for picking up or delivering cargo at the Ports of Los Angeles and Long Beach go unused, leaving cargo owners with many available choices of appointment slots, according to terminal data newly compiled by PierPass Inc.

The appointment systems are the core of the revised OffPeak program—informally called “PierPass 2.0” — for mitigating traffic congestion at the largest container port complex in the U.S. Second-quarter 2019 data from the 12 container terminals at the two adjacent ports shows that the appointment systems offer significant flexibility and availability for cargo owners. Terminals also report that they no longer have lines of trucks queuing outside their gates in late afternoons.

During weekday daytime shifts at the terminals, a weighted average from the 12 terminals shows that 64% of appointments were used, leaving 36% of available slots unused. The same data shows that utilization was lower during OffPeak shifts (weeknights or Saturday), when 55% of appointments were used and 45% left unused. Utilization rates at individual terminals varied reflecting differences in their volumes and operational models.

“Terminals continue to offer two appointment opportunities during the peak shifts and two appointment opportunities during the OffPeak shifts prior to the last free day for each container,” said John Cushing, president of PierPass, which manages the OffPeak program. “The large number of unused appointment slots shows that the system has substantial capacity to handle additional growth and offers significant flexibility in appointment times.”

The revised OffPeak program has succeeded in achieving the goals of the overhaul launched last November. These include providing a scalable technology with appointment systems and reducing afternoon truck bunching. Trucking companies had asked PierPass to address the buildup of trucks outside the terminals between 3:00 p.m. and 6:00 p.m. The trucks had waited for the start of the OffPeak shift at 6:00 p.m. to avoid the Traffic Mitigation Fee (TMF) previously charged only on peak-hour cargo moves.

Under the revised OffPeak program, a lower, flat TMF is now charged on both day and night shifts, removing the incentive for trucks arriving late in the afternoon to wait until 6:00 p.m. to take their cargo. The new appointment systems mitigate traffic flow to scheduled appointment windows instead of just between the two shifts.

“The late-afternoon queuing at the terminals has been eliminated,” Mr. Cushing said.

Terminals continue to caution trucking companies against waiting until the last free day to try to pick up a load. Those doing so might not be able to get an appointment on the last free day (the last day to pick up a container without incurring demurrage charges). Terminals recommend that users select from the appointment opportunities presented as soon as they are made available.

Terminals have been conducting outreach to work with truckers on using the appointment systems effectively. This has included ongoing meetings and follow-up with trucking companies that repeatedly miss their appointments.

At the start of the program, the percentage of booked appointments when the trucker failed to show up averaged between the mid-20s and the low-30s. Ports-wide in the second quarter, the average of no-shows has dropped ports-wide to 14% during the first shift and 15% during OffPeak shifts.

In 2018, it cost terminals \$288 million to operate night and Saturday shifts under the OffPeak program. The program collected \$216.5 million in Traffic Mitigation Fees to partially offset the added costs.

More information about the revised OffPeak program is available at <https://www.pierpass.org/about/offpeak-2-0/>. PierPass is the agent of the West Coast MTO Agreement (WCMTOA), a discussion agreement filed with the FMC. WCMTOA's members are the 12 marine terminal operators at the Ports of Los Angeles and Long Beach.

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