Marine Terminal Operators at the Ports of Los Angeles and Long Beach to Adjust TMF on August 1

LONG BEACH, Calif., June 12, 2012 – The West Coast MTO Agreement (WCMTOA) today announced a 2.5 percent increase in the Traffic Mitigation Fee (TMF) at the Ports of Los Angeles and Long Beach, in order to address labor cost increases scheduled to take effect on July 1, 2012.

Beginning August 1, the TMF will be increased by $1.50 per TEU (twenty-foot equivalent unit) to $61.50 per twenty-foot container or $123 per forty-foot container. The current TMF rates are $60.00 and $120.00 respectively.

On August 1, 2011, the TMF increased for the first time since 2006. The $10 per TEU increase came after hourly labor costs increased more than 31 percent for the same period. At that time, WCMTOA announced that beginning in mid-2012 it would begin adjusting the TMF annually to address labor cost increases.

The Traffic Mitigation Fee helps pay for the night and Saturday marine terminal shifts created by the PierPass OffPeak program to relieve daytime congestion in and around the ports. It also provides a financial incentive to move cargo during less congested times. The TMF is charged for non-exempt containers moving during peak hours (Monday through Friday, 3 a.m. to 6 p.m.). Please refer to the website www.pierpass-tmf.org for more information.

The terminals have operated the OffPeak gates at a loss since the program’s start in 2005, when they doubled the number of shifts per week, essentially spreading the same number of containers over twice the working hours. Cargo volume since 2005 has been essentially flat. The shortfall between TMF revenues and OffPeak gate costs was $55 million in 2011 and $52.3 million in 2010.

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.

The program has been highly successful in its primary goal of easing congestion in and around the ports. Over the past seven years, PierPass OffPeak gates have grown to handle approximately 55 percent of all container traffic at the ports, accommodated more than 21 million truck transactions, and greatly eased congestion on city streets and nearby freeways during daytime business hours.

“The OffPeak program greatly increases the capacity of America’s largest port complex without requiring additional infrastructure,” said Bruce Wargo, president of PierPass, the not-for-profit company that runs the OffPeak program. “The program increases the already tremendous competitive advantage held by the Los Angeles / Long Beach port complex, which has the most concentrated set of port assets of any port in North America, has a workforce that’s ready, available and flexible, and whose Clean Trucks Program helped replace thousands of dirty trucks with the latest, cleanest models available.”

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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