



Client Advisory

October 22, 2018

PierPass Revised OffPeak Program

Dear Valued Customer,

Barring any further delay from the Federal Maritime Commission, PierPass revised OffPeak program for the Ports of Los Angeles and Long Beach will go into effect November 19, 2018. The revised program proposes an appointment based system at all terminals and reduced flat fee on all truck moves, regardless of time of day.

PierPass currently charges drivers a fee of \$72.09 per TEU for terminal usage during the day and waives the fee during night hours. However, increased port congestion immediately prior to night hours has caused PierPass to revise their policy. When the plan goes into effect, the PierPass charge will decrease to \$31.52 per TEU or \$63.04 for all other container sizes, but will no longer be waived during night hours.

How Will this Affect My Shipments?

Due to the implementation of port-wide appointment system, we anticipate many importers may have to require truckers to pick up their containers from the terminals before they are actually able to take the delivery. This practice is often used to avoid demurrage and is otherwise known as a pre-pull.

If you don't normally factor pre-pulls into your supply chain, you may consider implementing more flexible warehouse receiving policies whenever possible to avoid

additional pre-pull costs. Examples of stricter receiving policies include provisioning specific time frames for cargo delivery and/or using warehouses that require appointments. Generally speaking, the stricter your receiving policies, the more likely you may be to require truckers to pre-pull your containers from the terminals, incurring additional pre-pull charges.

For additional information regarding the revised PierPass OffPeak Program, please follow the below links to the PierPass website:

<https://www.pierpass.org/news/revised-pierpass-offpeak-start-expected-nov-19-at-ports-of-los-angeles-long-beach/>

https://www.pierpass.org/wp-content/uploads/2018/10/QA-on-New-OffPeak-Program_10-11-18.pdf

OEC Group is committed to keeping our customers informed on current market conditions and will continue to monitor the situation as it develops.

Should you have any questions regarding this update, please contact your sales or customer service representative.

Sincerely yours,

OEC Group

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