

PierPass Testimony

I want to thank the committee for the opportunity to appear today.

My name is Richard Coyle, President, Devine Intermodal Trucking and I am appearing today on behalf of the California Trucking Association.

CTA supports the concept of keeping the marine terminals open longer. However, PierPASS has ignored the results of its own surveys and the reasons drivers don't want to work at night which is that the night terminals are as inefficient as they are during the day and drivers have families they prefer to be with.

There is a potential for additional terminal capacity. However, that potential lies in making the terminals more efficient at processing trucks during the day, not in making truck drivers haul loads at 2 am.

PierPASS needs to realize that by shifting cargo movements off-peak, the program has created a set of new, uncompensated costs and business challenges in the supply logistics chain and that there are many stakeholders, other than themselves, whose additional costs and inconvenience should be taken into account, beginning with drivers, and extending to motor carriers, distribution centers, the workers in those distribution centers and customers.

Specifically:

- PierPASS' latest survey showed that drivers' support for the PierPass program as measured by PierPASS' own pollsters has dropped since May 2006. Positives have fallen and negative attitudes have increased.
- The survey also showed that almost 60 percent of drivers surveyed do not make more trips as a result of PierPASS and that over 70 percent of drivers do not report higher earnings.
- The results of the latest survey also confirm the findings of the CTA surveys conducted last year that, by shifting loads to evening and weekend shifts, drivers have fewer opportunities to haul loads during the day which is their preferred time to work.
- Those same CTA surveys reported that drivers, 80 percent of whom have families, did not like having to work evenings and weekends because those shifts interfered with their most important opportunities to be with their families.
- Moreover, the majority of the drivers in the CTA surveys reported that they were not able to make more money or haul more loads because the marine terminals were as slow and inefficient in the evenings and on weekends as they were during the day.

- The finding that drivers didn't haul more loads or make more money is expected since the PierPass program was designed to reward cargo owners if they moved their cargo off-peak but made no provisions for additional compensation for drivers for working at times that would be less attractive to them.
- As to claims by PierPASS that truckers are not being utilized in the midnight to 3 am shift by their companies, this reflects the fact that most customers do not have the ability to receive deliveries during those hours. Customer limitations can include:
 - lack of space to stage containers overnight if not being unloaded,
 - cost and/or lack of labor to staff 2 am unloading,
 - concerns about cargo theft
- The inability of customers to accept deliveries during off peak hours actually increases truck trips since containers that can't be delivered are held overnight in motor carrier yards and delivered the next day to customers. This creates two truck trips where before only one was required. Thus, notion that congestion is being reduced by PierPASS is illusory since following day deliveries are made during peak hours.
- Additionally, the PierPASS program has not attracted more drivers to the port trucking fleet and therefore the same fleet of trucks and drivers must serve both day and evening gates. Since drivers have the same limits on the number of consecutive hours they can legally drive, they wouldn't have the hours available to drive early in the morning.
- The marine terminals could be more efficient if they didn't close daily for meals, breaks and shift changes. Although the official time allotted for these closures is 3.5 hours, when preparation time is added, the terminals are closed 6 hours during the busiest hours of each day.
- Current ILWU contracts do not require the terminals to close during these periods; The contracts only require that longshoreman be paid to work during these periods. The marine terminals should stay open more hours during the day and give drivers more day-time opportunities to move cargo. That will help them earn more money.
- In summary, CTA believes that PierPASS needs to congratulate itself less on the amount of cargo it has moved off-peak and concentrate more on making marine terminals efficient by hiring sufficient labor to keep gates open so drivers do not have idle their engines in long lines outside the terminal gates and can earn more income.

Comparisons among Surveys

Survey	Date	Number	Survey Type	+%	- %	Neut.%	More \$	More Trips
1 st CTA Survey	9/05	365	Anonymous form	27	43	30	n/a	¹
2 nd CTA Survey	3/06	506	Anonymous form	36	35	29	21% ²	³
PierPASS Survey	5/06	480/398 familiar	Face to Face Interview	55	24	9	28% ⁴	43%
PierPASS Survey	11/06	451/347 familiar	Face to Face Interview ⁵	47 ⁶	29	10	29% ⁷	45%

Remarks:

- PierPASS survey reports on drivers who “are familiar with PierPASS”. Actually had information on all drivers but suppressed it.
- More than 30 % of marine terminal check in and out times are “over 45 minutes”
- Source of additional income, i.e., motor carriers, not discussed.

¹ CTA Survey: Drivers noted that OffPeak had reduced the number of loads available during the peak period but had not made it easier to pick up loads during the off-peak period. Thus, although the potential work period was now longer, there were no additional hauling opportunities available. As one driver noted, “The purpose of the program is good but I have to work more to get the same pay.”

² CTA Survey: Only if Motor Carrier paid extra for off-peak load.

³ CTA Survey: Although the OffPeak program promised drivers the opportunity to earn more through additional turns per shift in exchange for working less convenient hours, the survey found that drivers who work nights do not make significantly more turns per week than those who do not drive nights. On the contrary, drivers who worked four nights per week made significantly fewer turns than the average. The average for all drivers was 20.2 turns per week.

⁴ PierPASS Survey: No info on how made extra \$

⁵ PierPASS Survey: Mostly at TRAPAC, Yang Ming, and Hanjin

⁶ PierPASS Survey: “On a net basis, favorable opinion decreased from 55 percent to 47 percent of all truckers working in the two ports, including those who are not familiar with the Program or its name.”

⁷ PierPASS Survey: “More than four in ten truckers continue to say they are able to make more trips per shift because of the OffPeak Program, and about 60 per cent of those with greater productivity also report higher earnings.