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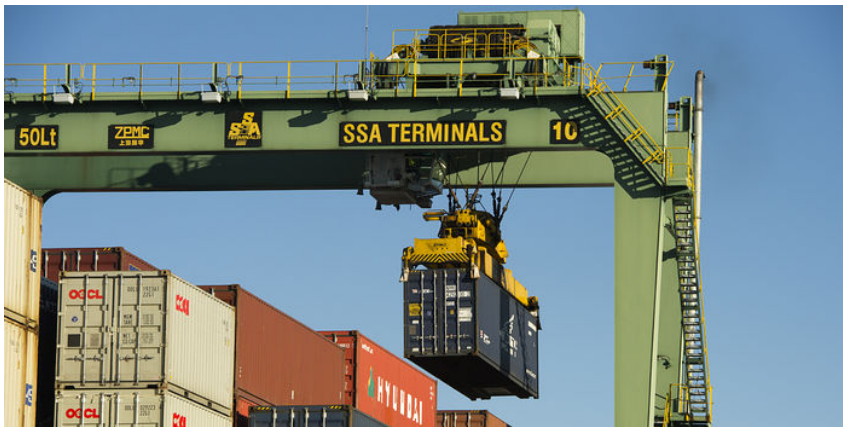
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BUSINESS | LOGISTICS REPORT

Oakland Port Proposes Cargo Fees to Fight Congestion

The Port of Oakland, facing worsening traffic, wants to charge to move containers during peak hours and introduce Saturday service. Retailers and other large importers and exporters say they're concerned about the plan.



The Port of Oakland plans to charge fees to move containers during peak hours. *PHOTO: BLOOMBERG NEWS*

By **ERICA E. PHILLIPS**

August 20, 2015

Terminal operators at the Port of Oakland plan to start charging cargo owners to move containers during peak times in an attempt to alleviate congestion.

The proposal, which federal regulators are currently evaluating, is facing criticism from large retailers, farmers and other companies that rely on the port for imports and exports and could end up paying millions of dollars to move cargo. Port officials say the fees are necessary to reduce traffic during the busiest periods and to pay for new Saturday service at container terminals.

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operate on weekends or charge fees to move containers during peak hours. But experts say more could follow Oakland's lead as cargo volumes grow and capacity is strained by bigger ships and rising imports. The ports of Los Angeles and Long Beach, the nation's busiest, added evening and weekend hours in 2005 and introduced fees to fight congestion and reduce emissions from idling trucks.

"We need to alleviate some of the pressure that builds up Monday through Friday at the marine terminals," said Mike Zampa, a spokesman for the Port of Oakland. Port officials said they support the program, which is being implemented by the operators of the four container terminals that handle international cargo.

An industry group representing large retailers, which are among the port's biggest customers, said in a letter to the Federal Maritime Commission that it was "troubled" because terminal operators haven't made details of the program public. The fees will go into effect on Sept. 7 unless the FMC requests more information, which would extend the evaluation period.

"The terms and conditions of the plan remain a question mark," the Retail Industry Leaders Association wrote in the letter, which was dated Wednesday. The group also questioned the effectiveness of a similar program, known as PierPass, at the Ports of Los Angeles and Long Beach, adding "For [Oakland] to try to emulate that flawed model without a more thorough understanding of shortcomings and lessons learned would be a considerable misstep."

William Doyle, one of five FMC commissioners, said the program "needs proper vetting before everybody wakes up one day and there's a fee and you have no choice." He declined to say whether he supported the plan.

Terminal operators will publish details on the plan in the next few days, said John Cushing, who runs PierPass and is leading Oakland's OAKPASS program. The fee for each 20-foot container has been set at \$17, and \$34 for 40-foot containers, Mr. Cushing said. Oakland handled the equivalent of 1.8 million 20-foot containers last year.

Oakland's container terminals move tens of thousands of loaded containers each week,

meaning the new fees could amount to millions in extra costs for importers and exporters using the gateway.

Several industry groups, in addition to RILA, have submitted public comments to the FMC, including the Agriculture Transportation Coalition, representing many export businesses.

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Correction

Under a proposed plan to alleviate congestion at the Port of Oakland, cargo owners would be charged fees to move containers during peak times. An earlier version of this article incorrectly said the fees would be charged to trucking companies and that rail moves were exempt. (Aug. 21)

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