



NEWS RELEASE
March 23, 2006

FOR IMMEDIATE RELEASE

Contact: Jill Ivie, Ivie Communications Voice - +1.650.712.0141 Office (in California)
Cellular +1.650.270.4204 Email: jill@iviecommunications.com

**PALAZZOLO HELPS PIERPASS EXCEED EXPECTATIONS:
Success was driven by well-managed details.**

(San Francisco, CA) – www.palazzolo-cpa.com - As principal advisors to the PierPASS OffPeak program in the Los Angeles and Long Beach ports, Palazzolo & Associates was brought on board in September of 2004 to oversee many of the details for this successful initiative launched on July 29, 2005. The number of problems to overcome and details to manage was staggering. And nothing like it had ever been done before.

With prior approval from the Federal Maritime Commission, 12 marine terminal operators came together to reduce daytime traffic on the neighboring highways and to ease congestion at their terminals. Their solution was PierPASS OffPeak, a concept that charges freight owners a Traffic Mitigation Fee for daytime gate moves, while night and weekend operations along with rail moves are not assessed this Fee.

10,000 trucks a night within five months of program launch

"The original goal was to shift about 20% of traffic to nights and weekends within the first few months," said Joseph Palazzolo, principal of Palazzolo & Associates. "PierPASS surpassed that goal in the first week." On a typical night, more than 10,000 trucks use the new OffPeak shifts – enough to stretch from Long Beach to San Diego if lined up end-to-end.

"The biggest challenge from the onset was the timeline," said Bruce Wargo, president and CEO for PierPASS. "PierPASS was under tremendous political pressure to deliver a program that would be up and running in a very short time frame. From the beginning, the Palazzolo team was professional, aggressive and informed. Because of their background in finance, systems and maritime, they were able to hit the ground running."

Identifying the issues

The PierPASS system had to identify assessable containers, and levy and collect fees for day-time operations from beneficial cargo owners (BCO's). "The first problem was that shipping lines were the only entities in the supply chain that knew the identity of the beneficial freight owners; the terminals had no access to this information," said Palazzolo.

Palazzolo continued, "We had to estimate the volume of transactions in order to forecast what type of staffing would be required to manage the program. The number of freight owners along with their individual volumes

-continued-

and level of sophistication was unknown. Our team had to develop this information in order to determine what kind of staffing would be required and project what costs would be incurred.”

Palazzolo also had to determine how the PierPASS system would function among the nine disparate information systems employed by the 12 terminal operators. “The terminal operators provided a steering committee of their most experienced managers to help us identify and resolve many of these problems. The project would have taken twice as long as it did, if we did not have the support of these key people,” Palazzolo said.

The action plan

Against a deadline to get the system operating before the 2005 Peak Season, Palazzolo and his associates started by mapping operational and financial management processes. From there, they developed a detailed list of systems requirements to support operational and administrative needs. These requirements were included in an RFP circulated among 12 potential vendors identified by Palazzolo in a nationwide search for qualified parties. As an objective third party, with maritime and specifically stevedoring experience, Palazzolo & Associates was uniquely qualified to evaluate the eight submitted proposals and assist the PierPASS Steering Committee.

PierPASS ultimately chose Affiliated Computer Services (ACS) to develop and maintain the PierPASS System and for outsourcing certain call center and other administrative functions.

“Palazzolo really held the vendor’s feet to the fire to ensure we made our deadlines,” said Wargo. The program successfully launched on July 29, 2005.

BCO’s were asked to claim containers or booking numbers prior to their departure from or arrival at the terminal. When the OffPeak program registration officially started, only a handful of BCO’s had signed up. By December, 2005, more than 11,000 were on board.

Palazzolo added, “PierPASS is, at its essence, a system for marine terminal operators to charge fees against freight. This is a program that can work for security fees, traffic mitigation fees or any other need for terminals to assess charges against freight owners. It’s been a tremendous success.”

PierPASS, Inc. is a not-for-profit company created by marine terminal operators to reduce congestion and improve air quality in and around the Los Angeles and Long Beach ports. For more information, please go to www.pierpass.org.

Palazzolo and Associates is a San Francisco-based CPA and management consulting firm specializing in systems and financial process improvements for the transportation and logistics industries. For more information, please visit www.palazzolo-cpa.com.

#