2 L.A.-area ports aim to slash diesel exhaust

The plan seeks to cut such pollution from short-haul trucks by 80% and boost security. Industry says business might drop.

By Janet Wilson and Ronald D. White - Times Staff Writers
April 14, 2007

The ports of Los Angeles and Long Beach, the nation's busiest seaport complex, are proposing an "unprecedented" overhaul of dockside trucking that officials say would slash diesel pollution from trucks by 80% in five years while improving domestic security and working conditions for drivers.

The draft plan drew rave reviews from environmentalists and labor groups but was criticized by industry groups, which said that lawsuits could be filed and that the booming ports could lose business to other states and countries if they press forward.

More than 40% of all goods imported to the United States move through the two neighboring ports.

Under the plan, posted online Friday, all 16,000 short-haul trucks that move goods from the wharves to nearby rail yards or warehouses would be scrapped or retrofitted, starting next year, at a cost of $1.8 billion. Their drivers — mostly low-paid independent contractors — would be employed by companies that would bid on port concession contracts containing stiff environmental, equipment maintenance and workplace requirements.

Numerous studies have shown elevated levels of diesel particulates and other harmful air pollutants on docks and in neighborhoods near truck-laden highways and freight rail yards.

The cost of replacing the current, aging trucks would be funded largely by per-trip fees of $34 to $54 assessed on the licensed firms, with some matching state bonds and taxpayer money. A second portion of the plan would impose a $26 fee on every container of goods moved through the ports to help fund rail and highway improvements.

Both measures are part of the ports' joint clean-air action plan, which aims to reduce deadly air pollution from all sources — including ships, trains and trucks — by 45% in five years. The plan is "a model for seaports around the world … the boldest air quality initiative by any seaport," according to the online draft.

S. David Freeman, president of the Los Angeles Board of Harbor Commissioners, said consumers would pay just pennies more for goods moving off the docks. He said replacing the trucks is vital to improving public health in neighborhoods near the ports.

"If you just look at the difference between the emissions of one of these dirty trucks and a new, cleaner one — and do the math — this is one of our biggest opportunities to get clean air," said Freeman, who along with other port officials unveiled the proposal Thursday at a closed-door meeting with industry, labor and environmental groups. "We can make major advances by replacing them."

Environmental, labor and community groups that fought more than a year for the plan praised it.

"It's a huge, huge step forward in our quest for clean air," said Melissa Lin Perella of the Natural Resources Defense Council.
"Usually governments just nibble around the edges of a major social problem," said Barry Broad, a state director for the Teamsters union. "This is an example of not one but two governments coming together … to solve a problem in a truly comprehensive way."

But industry representatives saw it differently. Business groups, including the National Retail Federation, have argued strenuously for a market-based, voluntary approach and new statewide emissions standards for trucks. The groups argued that money could be raised quickly to improve the condition of port truck fleets.

On Friday, the federation said there should be "serious concerns" about the ports of Los Angeles and Long Beach losing business under the new plan.

"We don't think that a private, local standard is the way to proceed," said Erik Autor, vice president and international trade counsel for the federation. "And we are not sure how the state and federal governments are going to view this."

Shippers who would foot the bill for the multibillion-dollar plan, which could go into effect Jan. 1, say it could end up being challenged in court.

"We are looking at it now from our lawyers' point of view to see what we might do. I think we might challenge that," said Curtis Whelan, executive director of the Intermodal Motor Carriers Conference for the 38,000-member American Trucking Assn. "By definition, these containers represent interstate commerce. It would impact interstate commerce in a dramatic way. Can a port authority do that?"

Whelan added that the plan could drive out dozens of smaller companies currently handling port trucking.

But Broad of the Teamsters reacted angrily, saying the current shipping companies were "bottom of the swamp" operations that moved in 25 years ago after port trucking was deregulated, firing drivers overnight to avoid paying decent wages or insurance and relying on poorly paid immigrant labor using decades-old, dangerous trucks.

Under the plan, drivers would get workers' compensation and other benefits. They also would undergo criminal background checks, drug and alcohol testing and identity screening aimed at tightening port security.

Wall Street analysts who rate the ports' bonds and other investments said they would be watching closely.

"It remains to be seen how they are going to do this. The port has obviously done quite a bit attempting to get shippers to change their behavior to align with environmental norms," said Joshua Schaff, ports analyst for Moody's Investment Service. "It's a sensitive issue. There is a lot of demand for the services these ports provide, and we just don't know what the price elasticity is, how high the price can go before you have some defection from customers."

Responding to industry concerns, Freeman said, "Of course I worry …. We are completely open to suggestion as we move forward aggressively with this plan … but eternal happiness for everyone is not one of the criteria. We're going to get cleaner air out of this, and a more stable, reliable workforce and better homeland security. Eternal happiness is above my pay grade."

Public hearings on the plan will be set, officials said.

Boards of the two ports are expected to vote on a final version in July.