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Coalition of Port-Area Residents, Environmental, Labor, and Religious Leaders Premier Solution to Allow "Green Growth" at L.A./Long Beach Ports

Coalition's Solution is the "Missing Link" to Lowering Port Pollution and Increasing Efficiency

At a telephone news conference this morning, the Coalition for Clean and Safe Ports – a coalition of port-area residents, environmental, labor, and religious leaders – unveiled an innovative solution to bring fundamental change to port trucking. Thursday at 6 PM in Wilmington, hundreds of residents and port drivers were joined by regional politicians, influential activists, and key port officials at a rally in support of the Coalition's plan.

The problem: Today's broken port trucking system accounts for a significant amount of the air pollution plaguing port neighborhoods, endangers children by contributing to asthma and other serious illnesses, sentences more than 16,000 drivers—mostly immigrants—to lives of peril and poverty, and threatens the desired expansion of the L.A. and Long Beach Ports—vital economic engines for the region. The Coalition proposes a comprehensive fix by creating accountability at the ports.

One glaring symptom of a grossly inefficient system: Up to 50 percent of drivers' time is spent waiting at the ports to transfer containers—while engines idle and pour diesel fumes into the air. Since drivers are paid by the load, not the hour, there is no incentive for trucking companies that hire drivers to move them through port terminals quickly, thus boosting driver income and reducing dirty air.

Port driving is like laboring in sweatshops on wheels. Because drivers are misclassified as independent contractors, trucking companies can evade responsibility for Social Security, unemployment insurance, or workers' compensation. There is no workers' comp for all-too-common injuries; if drivers are killed on the job, Cal-OSHA, the state work-safety agency, will not even investigate. A largely immigrant work force earning poverty pay cannot afford to buy or maintain newer, more environmentally-friendly trucks. Meanwhile, many drivers' children and others in low-income communities near the ports are victims of breathing polluted air from port trucks. That pollution is a key barrier to port expansion.

The solution: Under the model premiered Thursday by the Coalition for Clean & Safe Ports, the ports would issue contracts only to trucking companies that agree to honor basic environmental, labor, and national security standards, thus creating a new mechanism of accountability at the ports. Coalition members will urge L.A. and Long Beach port commissioners to adopt this new model to clean up the air, reduce elevated incidents of asthma, and improve driver working conditions.

Coalition for Clean & Safe Ports includes:

Clergy & Laity United for Economic Justice (CLUE) * Coalition for Clean Air * Coalition for Humane Immigrant Rights of Los Angeles * Coalition for a Safe Environment * Communities for a Better Environment * East Yard Communities for Environmental Justice * Harbor Watts Economic Development Corporation * Hermandad Mexicana Latinoamericana * Long Beach Alliance for Children with Asthma * Los Angeles Alliance for a New Economy * Los Angeles/Long Beach Harbor-Labor Coalition * Mexican American Political Association * Natural Resources Defense Council * Physicians for Social Responsibility * Progressive Christians Uniting * San Pedro Democratic Club * Sierra Club Harbor Vision Taskforce * Change to Win * L.A. County Federation of Labor * UNITE HERE Local 11 * UNITE HERE Local 681 * IAM Lodge 1484 * IBEW Local 11 * IBT Joint Council 42 * IBT Local 63 * IBT Local 495 * IBT Local 848 * IBT Local 911 * IBT Local 952 * SEIU Local 1877 * Southern California Council of Laborers * Laborers Local 507 * Laborers Local 802.

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The Coalition for Clean and Safe Ports

Making the Ports Work for Everyone



An Unsustainable Status Quo

The current trucking system at the Ports of Los Angeles and Long Beach is broken. As currently structured, this industry fails workers, businesses, neighbors, and anyone who breathes the air and drives the highways in Southern California.

- **Chaos at the Ports:** Port trucking is a chaotic, fragmented market, dominated by hundreds of tiny, undercapitalized motor carriers and brokers who earn profits only by undercutting market standards, creating a race to the bottom.
- **Wrongly Classified:** Motor carriers at the Ports overwhelmingly misclassify drivers as independent contractors rather than employees, allowing the trucking companies to disclaim responsibility for the conditions of the drivers and their trucks.
- **Lack of Oversight:** The Ports have no direct relationship with this vital sector, allowing industry abuses to worsen year after year.

All Stakeholders Share the Pain

The failures of the port trucking industry are felt in many areas:

- **Pollution** is exacerbated by old, dirty and unsafe trucks
- **Workers** make poverty wages with no benefits and few legal rights
- **Business and industry** are plagued by inefficiency, instability and a driver shortage
- **National security** is threatened at a high-risk, high-value target

A Win-Win Solution

The key to solving this long-festering problem lies in the Ports' role as landlords and proprietors of these most valuable public assets. The Ports have an obvious interest in clean, safe, sustainable growth, as well as a stable and secure Port complex and a continuing source of revenue. The Ports can achieve these goals by entering into a direct contractual relationship with responsible motor carriers who meet the Ports' standards as outlined in a competitive Request for Proposals. This market-based approach will ensure fair competition based on efficiency and quality of service.

Who We Are

The Coalition for Clean and Safe Ports is a new coalition of environmental, labor, faith-based, community and public-health organizations working to promote sustainable trade at the Los Angeles and Long Beach Ports.

The Port Trucking Plan

Setting Higher Standards with Direct Service Contracting

Currently, the Ports of Los Angeles and Long Beach have no direct relationship with trucking firms and therefore cannot set standards for this vital harbor service. Market-based strategies offer the best chance of a long-term solution to the challenges presented by the failures of the port trucking market. The most appropriate market-based approach is a direct service contract between the Ports and qualified motor carriers. Such contracts allow the Ports to maximize revenue and set standards to protect their proprietary interest in these most valuable public assets.

The creation of this direct contractual relationship will not alter the manner in which motor carriers interact with their customers. Shippers and steamship lines will still negotiate directly with motor carriers to move containers, but now they'll know these firms meet reliability standards.

A Proven Model

Following the model used by airports to provide food and other services to air travelers, the Ports would issue a competitive Request for Proposals (RFP) to all interested motor carriers. Only motor carriers that meet the Ports' standards and sign contracts with the Ports would be granted access to the Ports and be allowed to provide drayage services.

- **Most Powerful Tool:** A direct contract between the Ports and the relevant companies is the strongest and most effective way to impact the behavior of an industry. Since direct contractual relationships give the Ports the best tool from a compliance standpoint, they are the favored means of implementing change.
- **Proprietary Interest:** As landlords, the Ports have an obvious self-interest in the nature of the trucking operations conducted on Port property. To make the Ports more attractive to customers, to prevent any loss of business, and to maximize revenue, the Ports should ensure safe, stable and efficient trucking operations.
- **Broad Legal Authority:** The Ports have both an obligation and the expansive authority to act, granted both by statute and case law, including the power to regulate, provide for the needs of commerce, and grant direct service contracts.
- **Steady Revenue:** A direct service contract ensures the Ports a new and ongoing stream of revenue, paid by motor carriers as a percentage of their Port operations.
- **Tried and True:** Port authorities and airports in Los Angeles and across the country have long entered into direct contracts with businesses which provide services on public property, including retail services, food and beverages, taxis and shuttle buses.

Direct service contracts are the strongest, simplest, most direct and best-established means for bringing needed change to the port trucking industry. Under a direct contract, the Ports will be able to implement needed improvements in all areas, including oversight and accountability, efficiency, homeland security, the conditions of workers, and the environment.

A Port Plan that Works for the **ENVIRONMENT**

The ports of Los Angeles and Long Beach have made a dramatic pledge to halve the air pollution they produce by 2011. But port officials warn that “by far, the single most challenging component” in meeting that target is the failing port trucking system. By working together to fix that broken system, we can clean our air and create good, stable jobs.

The Burning Problem at Our Ports

The San Pedro Bay ports are the largest source of air pollution in Southern California—spewing more soot and smog than half a million cars, a refinery and a power plant combined. Trucks account for 30% - 40% of port-related pollution, and port trucks tend to be the oldest and most polluting trucks on the road.

- **Dangers of Diesel:** Truck exhaust has severe health effects, including higher risks of cancer, bronchitis and other respiratory ailments. One study found the number of diesel-related premature deaths in California exceeds the number of homicides.
- **Community in Crisis:** Residents near the ports are plagued by asthma and bronchitis, and have some of the highest incidences of cancer in the region.
- **Inefficient System:** The key problem with port trucking is its inefficiency. The market is fragmented between more than 600 companies—many of them fly-by-night outfits—that lack the resources to buy or maintain new, less-polluting rigs.
- **Idle Time, Unclean Air:** Because the trucking system is so inefficient, drivers spend up to half their time waiting at the ports—with engines idling—to transfer loads. Port trucks spew nearly half their cancer-causing soot emissions while idling.

Making a Clean Sweep

The current port trucking system fails workers, neighbors and everyone who breathes the air in Southern California. The solution is to create contractual relationships between the ports and trucking firms. The ports would establish sensible standards that trucking companies must meet in order to do business. This new trucking system will promote:

- **Clean Technology:** New equipment exists that can reduce truck emissions by 90%. Under the new standards, companies would have to have the resources to buy and maintain low-polluting technology.
- **Efficient Operations:** Better coordination between ports and truckers means drivers will spend less time waiting and spewing exhaust. Already, increased coordination is proving effective in the new PierPASS program, which is easing port congestion by shifting more truck traffic to nighttime hours.
- **Community Health:** Benefits to local residents will be profound, with soot from port trucks projected to drop 80% over five years.

A Port Plan that Works for

BUSINESS

The Los Angeles and Long Beach ports are experiencing record growth, with commerce predicted to triple over the next 20 years. But that growth is threatened by an inefficient port trucking system. That's why industry stakeholders are uniting around a plan to set sensible standards for harbor trucking, so ports can meet new clean-air and security regulations —and prevent any disruption for shippers.

The Heavy Costs of Inefficient Operations

Right now more than 600 trucking companies operate at our ports, contracting with some 16,000 drivers. This fragmented and inefficient system imposes heavy costs across the ports.

- **Port Congestion:** Since drivers are paid by the trip, not the hour, the companies have little incentive to schedule their runs efficiently. One study found drivers spend up to 50% of their time waiting at—and clogging—the ports.
- **Pollution:** The mostly old and poorly maintained trucks produce 30% to 40% of port air pollution. In the recent Clean Air Action Plan (CAAP) Overview, the ports noted that “by far, the single most challenging component” in reducing port pollution is the trucking sector.
- **Unstable Workforce:** Annual driver turnover is estimated to exceed 130%. Industry experts note that the situation among port drayage truckers could threaten shipping growth.
- **Security Concerns:** Given high driver turnover and lack of oversight by small trucking firms, a recent report called the trucking system a “gaping hole” in port security.

There's a Better Way to do Business

Currently, the port commissions have no direct relationship with trucking firms so they can't set standards for this vital harbor service. Creating direct service contracts between the ports and the firms will solve this problem. The ports will set standards that trucking firms must meet in order to do business. Shippers will still negotiate directly with trucking companies for hauling services, but now they'll know the firms are reliable. It's a proven business model already used by airports to provide food and other services.

- **Qualified Firms & Drivers:** The new standards would require companies to operate safe, efficient vehicles and to conduct proper driver oversight. (Small business loans would be available to the many legitimate entrepreneurs in the market.) Drivers would become employees rather than contractors, providing them a stable wage and lowering turnover.
- **Increased Productivity, Less Congestion:** With drivers paid as employees, trucking firms would have an incentive to maximize productivity and minimize wait times. Also, greater coordination between ports and trucking firms will strengthen initiatives like PierPASS, which is easing port congestion by shifting more truck traffic to nighttime hours.
- **Long-Term Growth:** The Clean Air Action Plan calls for a new fleet of less-polluting trucks, a key step in reducing public opposition to port growth. Establishing new standards for the trucking firms ensures that they'll have the resources necessary to maintain these trucks for the long-term.

A Port Plan that Works for **SECURITY**

Recent reports have identified a “gaping hole” in security at the Los Angeles and Long Beach ports. It’s the chaotic port trucking system that would easily allow a terrorist to pose as a driver and gain access to highly sensitive port facilities. To prevent that, we must overhaul the failing port trucking system.

A Hole in Security Big Enough to Drive a Truck Through

The local port trucking market is fragmented between more than 600 firms—many of them flyby-night outfits—that provide extremely low pay to drivers. The companies wrongly classify more than 80% of drivers as independent contractors, forcing them to cover operating costs out of their own pocket. This broken system has potentially catastrophic consequences for port security.

- **High Turnover & High Risks:** Low pay leads to driver turnover estimated at more than 100% a year; those astronomical turnover rates make it impossible to do adequate background checks.
- **Unknown Quantity:** Unlike longshoremen or other port workers, no one entity has clear responsibility for port drivers. The port commissions have no direct relationship with this vital sector and cannot even determine how many truckers work at the Ports.
- **Potential Disaster:** The ports are considered prime terrorist targets. A recent study concluded that a terrorist attack involving a 10-kiloton nuclear bomb smuggled into the Long Beach port would kill 60,000 people instantly and cause \$1 trillion in economic losses, at least 10 times the financial impact of the September 11th attacks.

Bringing Accountability to Port Trucking

It is time for the ports to establish a direct relationship with the trucking companies and ensure only responsible, security-conscious firms do business. The ports must stop low-road companies from turning drivers into poorly paid and short-tenured independent contractors. This new port trucking system will:

- **Increase Employer Accountability:** By ending the fiction that drivers are independent contractors, companies will have to take more responsibility for the truckers they hire.
- **Reduce Driver Turnover:** Under the current system pay is so low that “many drivers could make more money flipping hamburgers.” Turnover rates will drop when drivers can no longer be exploited as independent contractors.
- **Ease Transition to New Security Standards:** Homeland security officials hope to create a new ID card for all port workers, a daunting prospect for the largely immigrant port drivers. Many trucking experts fear drivers will leave the already undermanned industry rather than attempt to comply. If the drivers were full employees and had companies and unions helping them navigate the system, they’d have a much better chance of success.

A Port Plan that Works for **WORKING FAMILIES**

The port truckers of Los Angeles and Long Beach are a vital link in the global supply chain, yet they exist in a quasi-underground economy. By reforming the failing port trucking system, we can help make the American dream a reality for thousands of drivers and their families.

Port Truck Drivers Are Stuck in Neutral

Massive consolidation among retailers and ocean carriers has yielded a dramatic shift in bargaining power away from trucking companies. Even below the trucking companies are the drivers, who are “at the bottom of the ‘food chain.’” A broken, fragmented market — and a lack of meaningful Port oversight — creates a situation where under-resourced, exploitative motor carriers achieve profits only by paying drivers rates so low that they are unable to maintain their trucks or support their families.

- **Sweatshop on Wheels:** An industry observer noted that port drivers “could make more money flipping hamburgers” while another observed these jobs are “pursued only by the economically desperate.” Academic studies show drivers average as little as \$9.50 an hour, and many make significantly less. Ninety five percent receive no retirement benefits and only ten percent have health insurance.
- **Hours on Hold:** Truckers work over 11 hours a day on average, and many work 14 hours or more. As they are paid by the load, their work is not appropriately compensated, including the 50% of their time spent waiting just to transfer loads.
- **Health and Highway Hazard:** In addition to bearing the brunt of the pollution-related health impact, drivers receive little safety training and have higher than average accident rates. Nearly half of drivers said they were given an unsafe load in the previous 30 days.
- **Taxing on Drivers:** With drivers misclassified as independent contractors instead of employees, trucking companies fail to pay appropriate taxes, including social security, medicare and workers’ compensation. These essential safety nets are then denied to drivers when they are needed most.

Making the American Dream a Reality

The Ports can improve the lives of drivers and their families by setting workplace standards that every trucking company must meet. With real standards and meaningful oversight, the Ports can move an entire industry out of the shadows, transforming an underground economy into a legitimate one.

- **Good Jobs & Better Lives:** Under the current system, with 80% of drivers wrongly classified as independent contractors, it is illegal for them to form a union to advocate for a better life. The new system will restore this basic right, give drivers a chance to earn a middle-class living and let motor carriers compete on the basis of quality service instead of low wages.
- **Healthy Communities:** A recent study found Los Angeles “the most economically segregated region in the country” and argued that the disappearance of stable middleclass jobs was a key culprit. By improving the jobs of struggling drivers, we will benefit the communities they come from and help rebuild the middle class.
- **A Nation of Immigrants:** Nearly 90% of drivers are immigrants, who are particularly vulnerable to abuse. The Census Bureau found that Los Angeles leads the nation in exploitative “non-employment” relations (such as independent contractor status) imposed on these immigrant workers. By correcting drivers’ employment status, we restore the promise of a fair economy.