

# Building Bridges

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Labor & Environmentalists  
Address the Crisis in Port Trucking



Good Jobs First Conference

May 8, 2008

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# The History of False Dichotomies

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- A common challenge:
    - Transnational corporations cross borders easily in search of cheap labor and lax environmental regulations.
    - Capital thus played politics to prevent bridge-building: “good jobs or clean air and water.”
    - We too often buy into this narrative, and view each other with distrust, e.g.
      - “Smart growth” = no growth ?
      - e.g., Alaskan National Wildlife Refuge
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# “Teamsters and Turtles”

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- ❑ WTO, Seattle, 1999
- ❑ A slogan, but it contained real possibilities
- ❑ “Team the Teamsters with the turtles, and what you get — what the world got in Seattle — could well be an ideological turning point. Or at least, an end to the unchallenged dominance that right-wing economics has enjoyed for the past two decades.”

— Harold Meyerson, *LA Weekly*

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# San Pedro Bay Ports: America's Gateway

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- ❑ About 43% of all containerized trade for the whole country (#2 NY/NJ is about 13%)
  - ❑ Biggest port complex in the Western Hemisphere
  - ❑ 5<sup>th</sup> biggest port complex in the world
  - ❑ Over \$300 billion in trade annually (and growing)
  - ❑ Over 15 million TEU annually, projected to double or triple by 2020-2030
  - ❑ Largest regional industry: one in seven jobs in Southern California is tied to trade
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## But all is not so rosy...

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- ❑ There is a large gap in quality of jobs
  - ❑ Ports are the largest source of pollution in the region
  - ❑ Localized community impact is severe
  - ❑ Occasional bottlenecks and inefficiencies can disrupt flow of goods
  - ❑ Major safety and security concerns
  - ❑ Ports jointly embark on historic Clean Air Action Plan
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## ...Enter the Coalition for Clean and Safe Ports

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- ❑ Formed in September 2006
  - ❑ Many groups realized we were all trying to address a single problem – port trucking – but from different perspectives
  - ❑ By bringing all relevant stakeholders to the table, we set a goal of using our expertise in our respective areas to find broad, holistic, sustainable solutions
  - ❑ Rather than buy into the false dichotomy, we found we could learn from and bolster each other
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# Coalition Members

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## □ Environmental & Environmental Justice Groups

- Center for Community Action and Environmental Justice
- Coalition for Clean Air
- Coalition for a Safe Environment
- Communities for a Better Environment
- Communities for Clean Ports
- East Yard Communities for Environmental Justice
- Green LA Port Working Group
- Natural Resources Defense Council
- Sierra Club Harbor Vision Taskforce

## □ Public Health Groups

- American Lung Association of California
- Long Beach Alliance for Children with Asthma
- Physicians for Social Responsibility

## □ Religious Groups

- Clergy & Laity United for Economic Justice
- Progressive Christians Uniting

## □ Labor Groups

- Change to Win Federation
- IAM Lodge 1484
- IBEW Local 11
- ILWU Local 26
- International Brotherhood of Teamsters
- LA / LB Harbor Labor Coalition
- LA County Federation of Labor
- Laborers Locals 507 & 802
- SEIU Locals 721 & 1877
- UNITE-HERE Locals 11 & 681

## □ Immigrant Rights Groups

- Central American Resource Center
- Coalition for Humane Immigrant Rights of LA
- Hermandad Mexicana Latinoamericana
- Mexican American Political Association

## □ Community Groups

- Harbor Watts Economic Development Corp.
  - Los Angeles Alliance for a New Economy
  - San Pedro Democratic Club
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# What we learned from each other

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## Port Trucking: A Broken System

- ❑ Fails for drivers
    - Wages, hours, safety, working conditions
  - ❑ Fails for community
    - Dirty air, unsafe trucks on the roads
  - ❑ Fails for industry
    - Long wait times, chaos on the docks
  - ❑ Fails for the public
    - Costs of these problems pushed onto public
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# Part of the “underground economy”

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“Everyone in the transportation industry surrounding the Ports recognizes that the Port truckers are at the bottom of the ‘food chain.’”

— UC Riverside Sociologists Bonacich & Wilson, *Getting the Goods*

The jobs are “pursued only by the economically desperate.”

— New Yorker, June 2006

“The drivers could make more money flipping hamburgers.”

— Pacific Shipper editorial, July 2006

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# Port Drivers Today

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Misclassified as Independent Contractors  
Paid by the load  
Receive no benefits



16,800 Semi- & Regular in LA/LB  
Average \$9 to \$12/hour  
Work 12 to 16 hours a day  
Huge turnover

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# Los Angeles Times

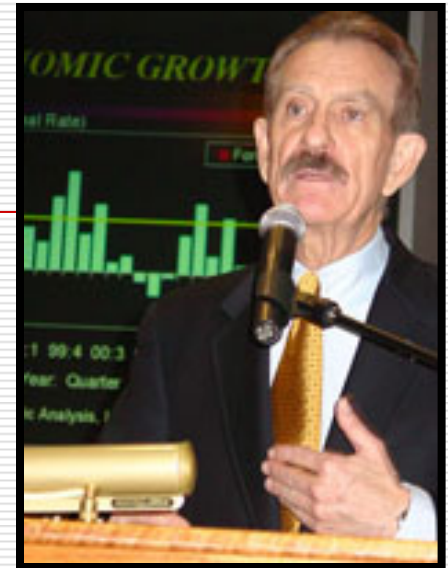
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“A lot of people want to have a business but don’t want the headaches of actually having to employ people,” said Jack Kyser, chief economist at the Los Angeles County

Economic Development Corp... Los Angeles-area businesses become nonemployers to avoid the costs of workers’ compensation, paid leave, health insurance and state taxes, he said. [Independent] contractors end up paying more for their own healthcare or go without it.”

—“L.A. area leads in employers that aren’t,”  
*Los Angeles Times*, July 27, 2006.

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# The “Double Bind” of Independent Contractors

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- ❑ Beyond the income differential of employees and independent contractors (over 40%)...
  - ❑ Beyond the lack of rights (no disability insurance, no workers' compensation insurance, no unemployment insurance, no overtime, no minimum wage, no OSHA protection)...
  - ❑ Independent contractor drivers are forbidden under Federal anti-trust laws to even discuss their rates of pay with one another.
  - ❑ Thus, independent contractors are in a double bind. They do not make enough money to fully provide for themselves and must rely on welfare and other programs.
  - ❑ Yet the independent contractor system prevents them from being able to work together to improve their conditions.
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# Fouling the Air

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- ❑ “Where trucks go to die”
  - ❑ Trucks are responsible for 30% - 40% of NOx and DPM from Ports
  - ❑ Disproportionate impact on health because of high exposure rates
  - ❑ Significantly higher asthma rates, cancer rates, etc.
  - ❑ Average truck is over 12 years old, some trucks date to 1941
  - ❑ One-third to one-half of all Port truck pollution attributable entirely to “idle issue”
  - ❑ New technology and equipment could reduce truck pollution by over 90%
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# The Economic-Environmental Nexus

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- Independent contractor status pushes all of the risk and responsibility for operations from the trucking companies to the drivers:
    - Truck purchase, truck maintenance, insurance, fuel, taxes, etc.
  - Impoverished drivers lack the means to upgrade the fleet and lack the power to improve pay and conditions.
  - No way to change the environmental impact without addressing the economic structure.
    - “Buy everyone a new truck” won’t work for the long term.
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# Bad Public Policy

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- Port trucking is the “weak link” in port security.
  - Industry is a case study in the externalization of costs.
    - Thousands of drivers lacking decent wages and health care or retirement benefits pushes these costs onto the public.
    - No accountability for trucking equipment regularly puts unsafe chasses and overweight containers on our roads.
    - Environmental impact of port operations leads to massive health impacts, resulting in community opposition and stymied growth.
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# Structural Problems at Root

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- No Port oversight of trucking sector leads to lack of accountability...
    - over sector-wide problems
    - over unscrupulous individual trucking companies
  - Independent contractor classification allows companies to disclaim responsibility for...
    - condition of trucks
    - chaos at the Ports (wait times, etc.)
    - conditions of workers
  - Combination of no oversight and low barriers to entry yields a race to the bottom.
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# The Clean Trucks Program

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- ❑ CAAP was passed jointly by LA & LB in 11/06 to reduce overall port pollution by 45% in 5 years.
  - ❑ The CTP is the first detailed piece of the CAAP. It would reduce truck emissions by over 80% over five years.
  - ❑ The CTP would dramatically change the structure of the industry:
    - Access to the Ports limited to trucking companies with signed concession agreements (ie, contracts with the Ports)
      - ❑ Think: food and beverage service in airports
    - Companies would have to meet basic standards to qualify
      - ❑ Environmental, worker, community issues
  - ❑ This would shift responsibility to its rightful place:
    - Trucking companies – rather than drivers – would be responsible for maintaining a fleet of clean trucks.
  - ❑ Goal: only safe, secure, responsible companies, trucks and drivers enjoy the privilege of operating at the Ports.
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# And the benefits add up

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□ A recent LAANE report found that over just the initial 5 year period of the CTP, the region would see over \$4.2 billion in benefits through:



- Improved driver income and shifted tax burden .....(\$360 million annually)
  - Reduced reliance on taxpayers for uninsured care .....(\$45 million annually)
  - Reduced cost of health impacts .....(\$2.2 billion over five years)
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## Clean Trucks at the San Pedro Bay Ports Mean...

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- ❑ 87.6 fewer premature deaths
- ❑ 103 fewer hospital admissions
- ❑ 2,449 fewer cases of asthma, bronchitis, and other respiratory symptoms
- ❑ 13,140 fewer lost work days
- ❑ 142,350 fewer minor restricted activity days
- ❑ 40,150 fewer school absence days

...EVERY YEAR!

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# So Why Is Industry Fighting This?

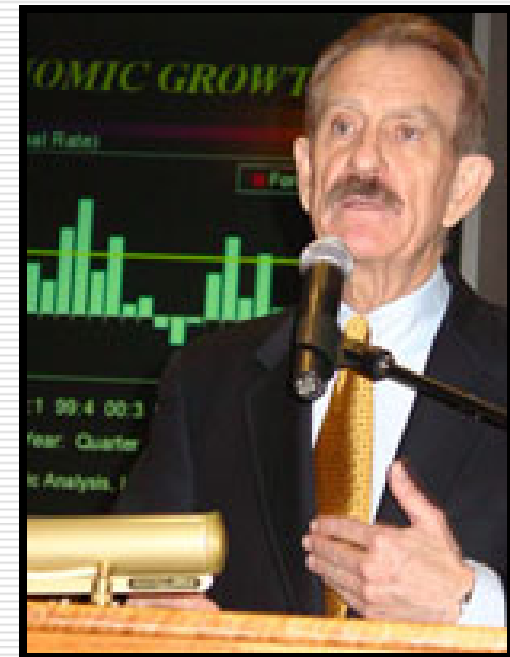
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- Citing “higher costs,” many trucking companies and their shipper-clients are actively fighting the Ports’ plan.
  - The facts simply do not substantiate their claim:
    - The Port of LA has calculated that the added cost of a Clean Trucks Program on the retail price of an iPod would be less than a penny on the \$199 product.
    - Economist John Husing found that the average additional cost of the CTP would be one-sixth to one-third of one percent of the retail cost of a product.
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# Then really, what is it?

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- ❑ Evading responsibility
- ❑ Shifting risk
- ❑ Scare-mongering about the dreaded Teamsters
- ❑ Preventing a successful long-term blue-green alliance



# A Split Decision: What next?

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- February 2008: POLB breaks off CAAP & CTP partnership with POLA and passes plan favored by industry
    - No employee requirement
    - Weaker environmental requirements
    - No community mitigation measures
  - March 2008: POLA passes comprehensive CTP
  - Industry threatens lawsuits over both plans
  - Analysts doubt viability of two different plans in one port complex
  - FMC has all plans on hold pending industry-driven investigation
  - Start date: October 1, 2008 (??)
  - Meanwhile... CTP + TWIC + ILWU negotiations + plummeting trade (macroeconomics) = an exciting year
  - Focus now is on...
    - Defending against frivolous industry lawsuits
    - Implementing POLA's CTP properly
    - Bringing POLB back to the table to fix a plan bound to fail
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# Contact Us

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