Building Bridges

Labor & Environmentalists
Address the Crisis in Port Trucking

Good Jobs First Conference
May 8, 2008
The History of False Dichotomies

- 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
“Teamsters and Turtles”

☐ 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
San Pedro Bay Ports: America’s Gateway

- About 43% of all containerized trade for the whole country (#2 NY/NJ is about 13%)
- Biggest port complex in the Western Hemisphere
- 5th 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
But all is not so rosy…

- 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
…Enter the Coalition for Clean and Safe Ports

- 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
Coalition Members

- **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

- **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
What we learned from each other

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
Part of the “underground economy”

“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
Port Drivers Today

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
“‘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.”

The “Double Bind” of Independent Contractors

- 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.
Fouling the Air

- “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%
The Economic-Environmental Nexus

- 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.
Bad Public Policy

- 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.
Structural Problems at Root

- 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.
The Clean Trucks Program

- 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.
And the benefits add up

- 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)
Clean Trucks at the San Pedro Bay Ports Mean…

- 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!
So Why Is Industry Fighting This?

- 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.
Then really, what is it?

- Evading responsibility
- Shifting risk
- Scare-mongering about the dreaded Teamsters
- Preventing a successful long-term blue-green alliance
A Split Decision: What next?

- 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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