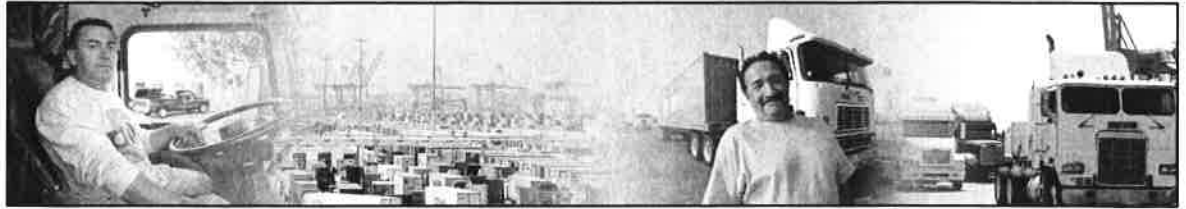


The Coalition for Clean and Safe Ports Making the Ports Work for Everyone



An Unsustainable Status Quo

The current trucking system at the Port of Oakland is broken. As currently structured, this industry fails workers, businesses, neighbors, and anyone who breathes the air and drives the highways in California.

- **Chaos at the Port:** 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 Port 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 Port has 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 Port's role as landlord and proprietor of these most valuable public assets. The Port has an obvious interest in clean, safe, sustainable growth, as well as a stable and secure Port complex and a continuing source of revenue. The Port can achieve these goals by entering into a direct contractual relationship with responsible motor carriers who meet the Port's standards as outlined in a competitive Request for Proposals. This market-based approach will ensure fair competition based on efficiency and quality of service.

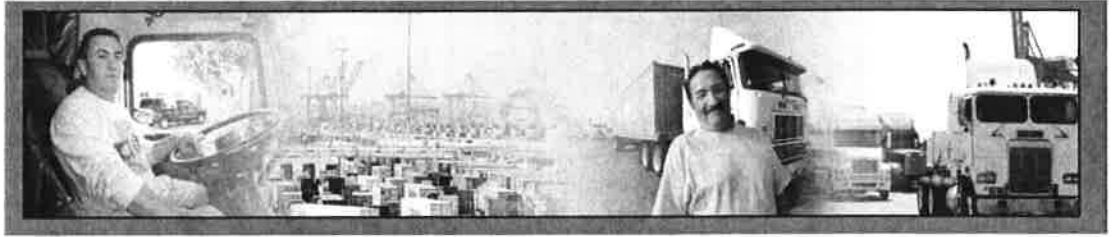
Who We Are

The Coalition for Clean & Safe Ports is a new coalition of environmental, labor, faith-based, and community organizations working to promote sustainable trade at the Port of Oakland.

Doug.Bloch@changetowin.org

Coalition for Clean & Safe Ports

1714 Franklin St., Suite 325, Oakland, CA 94607
Phone: (510) 893 -7106 x24 Fax: (510) 893 - 7010



A Coalition United to Clean Up the Port Trucking Industry

The Coalition for Clean & Safe Ports is a broad coalition of environmental, labor, faith, community, and business organizations promoting sustainable economic development at the Port of Oakland. We are working to clean up the port trucking industry, reduce environmentally harmful port emissions, stimulate greater economic opportunities for Oakland's residents, and establish accountability to the Port's surrounding communities.

We stand together behind the following principles:

Established Standards: The Port must ensure that all trucking companies wishing to operate within the Port are responsible and meet a set of standards on labor, environment, security, and community economic development.

Community Economic Development: The Port must ensure that West Oakland and impacted residents in the 880 Corridor receive the jobs, training, and economic opportunities -- not just the pain -- of hosting the Port.

Employment for Drivers: The Port must ensure that trucking companies employ drivers directly as owner operators --not as independent contractors-- and pay appropriate taxes, including social security, Medicare, and workers' compensation.

Decent Conditions for Drivers: The Port must ensure that trucking companies pay decent wages and benefits, enabling drivers to support their families and to properly maintain their trucks. It must also work to operate more efficiently to reduce idling time when drivers and surrounding communities are exposed to toxic diesel fumes.

Clean Air: The Port must ensure that trucking companies use safe clean trucks that meet certain emission standards and use off-street parking to reduce the diesel pollution that is spewed into surrounding neighborhoods, impacting the health of residents who are disproportionately low-income people of color.

National Security: The Port must hold trucking companies accountable on security standards to ensure that the Port of Oakland and our nation are protected from terrorist threats.

Accountability to the Community: All trucking companies operating within the Port should be subject to oversight by the Port, community, labor, and environmental organizations to ensure standards are being met.

Economic Growth: The Port, shippers, and the trucking companies should work collaboratively with labor, community, and local business to improve the efficiency of Port operations, enabling the Port of Oakland to grow, remain competitive, provide opportunities for Oakland residents, and truly become a center for world trade.

Name _____

Title _____

Organization _____

A Port Plan that Works for **SECURITY**

Recent reports have identified a “gaping hole” in security at West Coast ports. The chaotic port trucking system is the weak link 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 100 firms—many of them flyby-night outfits—that provide extremely low pay to drivers. The companies wrongly classify more than 75% 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 130% 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.

The Port Trucking Plan

Setting Higher Standards with Direct Service Contracting

Currently, the Port of Oakland has 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 Port and qualified motor carriers. Such contracts allow the Port 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 Port's standards and sign contracts with the Port would be granted access to the Port and be allowed to provide drayage services.

- **Most Powerful Tool:** A direct contract between the Port and the relevant companies is the strongest and most effective way to impact the behavior of an industry. Since direct contractual relationships give the Port the best tool from a compliance standpoint, they are the favored means of implementing change.
- **Proprietary Interest:** As a landlord, the Port has an obvious self-interest in the nature of the trucking operations conducted on Port property. To make the Port more attractive to customers, to prevent any loss of business, and to maximize revenue, the Port should ensure safe, stable and efficient trucking operations.
- **Broad Legal Authority:** The Port has 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 Port 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 Oakland 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 Port will be able to implement needed improvements in all areas, including oversight and accountability, efficiency, homeland security, the conditions of workers, and the environment.

Coalition for Clean & Safe Ports

1714 Franklin St., Suite 325, Oakland, CA 94607
Phone: (510) 893 -7106 x24 Fax: (510) 893 - 7010

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

Although the Port of Oakland has taken steps to reduce air pollution, one of the most challenging components in reducing emissions 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

Trucks traveling through West Oakland produce the same amount of toxic soot in one day as 127,677 cars. Furthermore, there is 5 times more diesel exhaust per person in the communities surrounding the Port than in other parts of Oakland. Heavy-duty trucks produce 30%-40% of the pollution at ports, making them a significant health hazard.

- **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 100 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 California. The solution is to create contractual relationships between the port and trucking firms. The port 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.
- **Community Health:** Taking concrete steps to reduce truck emissions would help mitigate the public health problems associated with diesel exhaust in communities surrounding the Port.

A Port Plan that Works for **BUSINESS**

The Port of Oakland is experiencing record growth, with commerce predicted to double by 2020. 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 100 trucking companies operate at our port, contracting with some 2,500 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.
- **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.
- **Long-Term 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 **WORKING FAMILIES**

The port truckers of Oakland 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.” Drivers make below \$7 an hour on average, 95% receive no retirement benefits and only 10% 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 Port 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 Port 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 75% 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:** 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:** An overwhelming majority of the drivers are immigrants, who are particularly vulnerable to abuse. By correcting drivers’ employment status, we restore the promise of a fair economy and a chance to fulfill the American Dream.

Coalition for Clean & Safe Ports

1714 Franklin St., Suite 325, Oakland, CA 94607
Phone: (510) 893 -7106 x24 Fax: (510) 893 - 7010