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Port of Oakland Economic Study Makes Strong Case for Employee-Based Trucking System to Solve Chronic Diesel Truck Pollution Problem

The draft Economic Impact Analysis prepared by the independent consulting firm Beacon Economics, LLC, that was commissioned by the Port of Oakland, strongly favors an employee driver-based Port trucking system to address critical inefficiencies, improve port security and meet upcoming air quality regulations.

The just-released report (http://www.portofoakland.com/pdf/CTMP_Beacon_Draft_030509.pdf) was authored by Dr. Jon Haveman, an expert on goods movement, to provide recommendations for how the Port trucking system can be reformed in order to meet the goals of the Comprehensive Truck Management Plan (CTMP) currently being developed by the Port. The CTMP is aimed at reducing Port truck diesel pollution and improving the quality of life for people living and working in and around the Port.

“The Beacon Economics study confirms that the only way we will rid our community of deadly air pollution from Port trucks is to make the industry permanently responsible for a clean truck fleet rather than individual drivers,” said Doug Bloch, Director of the Coalition for Clean & Safe Ports. “I am encouraged by the study findings and the Port Commission’s recent directive to accelerate the Comprehensive Truck Management Plan. It is now up to the Port to ensure that the CTMP includes an employee provision. If they do, we will begin to see the air quality, public health and economic improvements our community so desperately needs.”

According to the Beacon study, as stronger emission requirements go into effect, the status quo is unlikely to be sustainable over the long-term without large and continual public subsidies. Beacon considered other alternatives to the status quo. In comparing an employee driver model (like the recently implemented Port of Los Angeles Clean Trucks Program) to a trucking system based on independent contractors, Beacon Economics found that an employee driver model dominates in regards to accountability, efficiency, and sustainability and in the long term will be easier to implement. The study further states, “The movement towards a more employment-based system could enhance the efficiency of the current system, the ability to respond to pressing and future challenges, and the Port’s ability to grow.”

Other important findings of the Beacon study include:

- The implications of impending State environmental regulations are more severe for independent contractor drivers than for the owners of the trucks driven by employee drivers. Port trucking companies overwhelmingly indicate that they will not be able to provide financing assistance to their independent contractor drivers.

- Cost increases that may result from the Transportation Worker Identity Credential program, State environmental requirements, and a potential employee driver requirement should not result in widespread cargo diversion. Rail cargo that is destined to points outside of the region is the most prone to diversion. Estimates indicate that only about 20 percent of the cargo through the Port of Oakland is by rail.
- Total transportation costs may rise by 1 ó 2% as a result of an employer driver model, however, when potential efficiency gains are factored in, these costs are likely to be reduced.
- It will be easier to implement an employee driver requirement at the Port of Oakland than at the Southern California ports because the proportion of drivers who are employees is higher, one-third rather than one-fifth.

The Coalition also strongly supports a local hire program of training and job opportunities for residents in Port-impacted communities and support for small, local businesses who want to operate at the Port. These actions will serve to revitalize Oakland's economy as Port facilities are expanded.

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The Coalition for Clean & Safe Ports is an alliance of more than 80 environmental, labor, public health, faith and community organizations dedicated to promoting sustainable economic development at our nation's ports. The Coalition is working to make the Port trucking system more efficient, reduce air pollution, improve the quality of jobs and stimulates greater economic opportunities for residents living in surrounding port communities. To ensure a level playing field, the Coalition is organizing in communities at the Ports of Oakland, [Los Angeles](#), Long Beach, Seattle, New York/New Jersey and Miami so that standards are lifted regionally and no one port is put at a competitive disadvantage.