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On the Waterfront:

Labor, environmentalists fighting trucking deregulation

By Kristopher Hanson, Staff Writer

Labor leaders and environmentalists are reportedly gearing up for a renewed lobbying effort in Washington to end or amend the nation's 29-year experiment with trucking deregulation.

Deregulation is blamed by many for the long, slow decline that led local ports to be dominated by a fleet of run-down, soot-spewing diesel rigs partially responsible for the region's horrible air quality.

The push comes following last week's federal court ruling that temporarily bars the Port of Los Angeles from mandating that harbor trucking companies own the low-emission fleets they dispatch to local marine terminals.

At the heart of the matter is the long-term viability of the ports' Clean Truck Program, which depends on periodic fleet upgrades beyond 2012, when the first phase ends and only rigs meeting federal 2007 emission standards will be allowed on port property.

Right now, the purchase of new rigs is being subsidized by a mishmash of taxpayer funds, container fees, port profits, private grants and federal stimulus funds.

The Port of L.A. has attempted to shift future purchase and maintenance costs to trucking companies by moving the clean-truck burden off the backs of contract drivers - or independent owner-operators - and onto companies. Many economists agreed with the approach, arguing that companies were better equipped to handle truck purchases and maintenance now and in the future - and without government help.

But a trucking industry association challenged that rule, and a federal judge issued an injunction against the provision on April 30 pending the outcome of a full trial in December.

In the meantime, the "Blue-Green Alliance" of labor groups and environmentalists are pressing their case with Congress. They want the deregulatory Motor Carrier Act of 1980 to be re-examined, and if need be, re-written.

In addition to President Barack Obama, California Sen. Barbara Boxer is reportedly listening, and all of California's Democratic Congressmembers have written in support of Los Angeles' plan.

And in a sign that the issue is gaining steam on the East Coast, Professor David Bensman at Rutgers University penned a March study blasting the Motor Carrier Act and urging reform.

“While liberal and conservative critics of ineffective regulation cheered - Sen. Ted Kennedy and Ralph Nader were key supporters - deregulation quickly proved destructive,” Bensman wrote in an essay co-authored by one of his students, Yael Bromberg. “New trucking companies entered the market, bidding for contracts by reducing freight rates that were no longer standardized. The existing, mostly union, trucking companies couldn't compete and sold their trucks to their former employees, who flooded the field as independent contractors. Soon, union-era drivers were gone. Today, earnings are half what they were 25 years ago, and the drivers are Latino immigrants who have few alternatives.”

Locally, the Act ended 45 years of tight government oversight and spawned a Darwinian business environment where more than 1,000 licensed motor carriers now fight for a share of the estimated \$1 billion in freight moving through Long Beach-Los Angeles each day.

By altering the law, officials hope to open the door for a partially re-regulated industry that allows healthy competition without creating an unsustainable - or overly exploitative - environment.

“Deregulation is poisoning our lungs, degrading our labor markets and raising the cost of doing business in New Jersey,” Bensman wrote. “We need to reregulate port trucking, require trucking companies to hire drivers as employees, banish old trucks, and attract new capital into the industry.”

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