



For Immediate Release: August, 20, 2008

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Daimler/Mercedes Benz, Port of Long Beach Condemned for Teaming Up in a Predatory Lending Scheme to Target Low-Wage Truck Drivers

Consumer, Minority, Civil Rights & Worker Advocates deliver report to German Embassy in DC, Detroit Corporate HQ to warn of “Foreclosure Crisis on Wheels”

WASHINGTON, DC & FARMINGTON HILLS, MI --- A delegation of high-ranking representatives from civil rights, minority, consumer and worker rights' advocacy groups including the National Association for the Advancement of Colored People (NAACP) and the League of United Latin American Citizens (LULAC) were joined today by several dozen activists carrying signs calling for an end to a predatory lending scheme by Daimler/Mercedes Benz and the Port of Long Beach. Noisy protests at the German Embassy in Washington, DC and Mercedes-Benz' parent company in the Detroit-area culminated with the simultaneous delivery of a report to company and diplomatic officials entitled [“Foreclosure on Wheels: Long Beach’s Truck Program Puts Drivers at High Risk for Default.”](#)

In a [written statement](#) by NAACP Chairman Julian Bond read at the German Embassy, Bond emphasized that Daimler/Mercedes' participation in the Long Beach financing scheme may have wide-reaching effects in communities of color that are already struggling economically: “The current sub-prime mortgage debacle illustrates how many institutions profit by enticing minority and low-income borrowers with schemes using too-easy credit to finance purchases with loans they are unable to repay.... We ask Daimler’s corporate officials to show their commitment to socially responsible business practices by abandoning this risky, dangerous venture – if not for the sake of Daimler shareholders and their company’s image, then for the sake of the truck drivers and their communities.”

The report analyzes the financial risk and details concerns that the Port of Long Beach, in partnership with Daimler, has wrongfully placed the burden for cleaner commerce on Latino-American and immigrant port drivers by targeting the workers – not their companies – to sign up for risky loans to replace a fleet of 16,000 aging vehicles. Under the terms of the lease-to-own scheme, Daimler will financially back low-emissions trucks (costing \$100,000-\$200,000 after volume discounts) to any driver whose dirty diesel rig was recently banned by the port, regardless of his/her credit worthiness and ability to pay. Port drivers, before the cost of fuel skyrocketed, netted an average of \$11 an hour. The monthly payment for the trucks is between \$500-1,000 for seven years, with a balloon payment of \$7,000-\$15,000 at the end of the lease term.

“Instead of trying to help residents and workers, a public, government entity has outrageously teamed up with Daimler/Mercedes to hoodwink the hard-working drivers who haul cargo from our shores to America’s stores,” said LULAC President Rosa Rosales, whose organization helped lead the German Embassy protest and delegation.

A Daimler official told Long Beach officials in a public forum on June 30 that the company expects “over 40%” of port drivers to have “high difficulty meeting the payments,” a staggering acknowledgement overridden by Daimler’s strength in “managing collections,” i.e., repossessing trucks.

Before a crowd in Michigan outside of Daimler’s corporate home, Patricia Castellanos of the Los Angeles Alliance for a New Economy urged the Long Beach Port and the German luxury giant to avoid the same discriminatory practices that provoked domino-effect defaults in the mortgage market, and to instead focus lending efforts on capitalized trucking companies to avoid scarring communities. “We believe that there is an undeniable link between clean air, efficient port operations, and fairly-paid employee drivers. Achieving the environmental goals requires shifting the responsibility to where it rightfully belongs: to a stable, accountable and asset-based trucking industry.”

Richard Holober, executive director of the Consumer Federation of California added: “These kinds of discriminatory loans won’t just affect the thousands of California’s port drivers as individual borrowers, but entire families and their futures as well. The companies that profit from global trade are in a financially more stable position to invest in the new clean technology we need to keep our communities healthy – low-wage workers aren’t.”

“Foreclosure on Wheels: Long Beach’s Truck Program Puts Drivers at High Risk for Default,” was issued jointly by the Consumer Federation of California, the NAACP, the League of United Latin American Citizens (LULAC), and the Los Angeles Alliance for a New Economy. Southern California port drivers and their advocates are submitting the report to Daimler/Mercedes-Benz officials at the Port of Long Beach this week.

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*Founded in 1909, the **NAACP** is the nation’s oldest and largest civil rights organization. Its members throughout the world are advocates for civil rights in their communities, conducting voter mobilization and monitoring equal opportunity in the public and private sectors.*

*The **League of the United Latin American Citizens** (www.lulac.org) advances the economic conditions, educational attainment, political influence, health and civil rights of Hispanic Americans through community-based programs operating at more than 700 LULAC councils nationwide.*

*The **Consumer Federation of California** is a non-profit organization, established in 1960, that advocates for consumer protection laws and regulations.*

*The **Los Angeles Alliance for a New Economy** is a non-profit organization that has issued numerous reports on poverty, employment and economic development. Founded in 1993, LAANE is recognized as a national authority on issues affecting the working poor. By promoting a practical approach to social change, LAANE has helped set in motion a broad movement based on the principle that hard work deserves fair pay, good benefits and decent working conditions.*