

August 24, 2009

Dr. Geraldine Knatz
Executive Director
Port of Los Angeles
425 South Palos Verdes Street
San Pedro, CA 90731

Dear Executive Director Knatz:

On behalf of the undersigned national associations representing importers, exporters, and the logistics industries and service providers that support them, we are writing to you in strong support of the August 10th Commentary by Peter Tirschwell in the *Journal of Commerce* titled "LA's Wrong Turn."

We all support the goals of the Clean Truck Plan to reduce truck emissions at the port. However, we strongly oppose the efforts of the port to support changing longstanding federal law, the Federal Aviation Administration Authorization Act (F4A), to include a provision within the Clean Truck Plan that has nothing to do with reducing truck emissions. **We urge the port to cease its efforts in support of proposals to Congress to amend the F4A, and instead to work with its customers to address the real issues that face the port today.**

The members of the undersigned national associations move a substantial amount of the nation's international commerce through the Port of Los Angeles. The harbor trucking industry is an integral component of the supply chain. Our collective member companies have a vested interest in making sure that the harbor trucking industry operates safely, efficiently and in an environmentally responsible manner. In fact, many of our members are actively working with transportation providers to replace as quickly as possible the older harbor trucks serving marine terminals around the country with highly innovative clean equipment.

The port and industry can and should work cooperatively to achieve the goals of the Clean Truck Plan. We applaud the work that has been done already. As a result of the ban on older trucks, which we support, more than 58% of cargo moves between June 1 and June 30 were done by clean trucks according to a July 29 press release. This has been achieved without a change to federal law.

We are certain that we can work together on these issues of importance to the Port without seeking a change in federal law designed to force out of business hard working harbor truckers while simultaneously increasing costs to the Port's customers.

Sincerely,

Agriculture Transportation Coalition
American Apparel and Footwear Association
American Import Shippers Association

California Retail Association
Coalition of New England Companies for Trade
Consumer Electronics Association
Fashion Accessories Shippers Association
Footwear Distributors and Retailers of America
Harbor Truckers Sustainable Future LA/LB
International Warehouse Logistics Association
NASSTRAC, Inc.
National Association of Waterfront Employers
National Home Furnishings Association
National Industrial Transportation League
National Pork Producers Council
National Retail Federation
Pacific Coast Council of Customs Brokers & Freight Forwarders Assns Inc.
Retail Industry Leaders Association
The Health & Personal Care Logistics Conference, Inc.
The Waterfront Coalition
Travel Goods Association
U.S. Association of Importers of Textiles and Apparel
West State Alliance
Western Home Furnishings Association
World Shipping Council

CC: Cindy Miscikowski, Harbor Commission President
Jerilyn López Mendoza, Harbor Commission Vice President
Kaylynn L. Kim, Commissioner
Douglas P. Krause, Commissioner
Joseph R. Radisich, Commissioner

Commentary

LA's Wrong Turn

By Peter Tirschwell | Aug 10, 2009 2:15PM GMT
The Journal of Commerce - Commentary

The idea that only employee drivers who could eventually be unionized would be able to reduce truck emissions around seaports was preposterous on its face as well as illegal, and it took the federal courts to point this out to the Port of Los Angeles. The port's attempt to mandate employee drivers on all trucks entering its terminals as part of its clean-trucks program exposed the organization not as a green port pioneer, but as a political entity willing to advance an anti-trade, pro-labor agenda at the behest of former union leader and current Mayor Antonio Villaraigosa.

A port driver pool converted from today's independent owner-operators into a work force organized by the Teamsters has no connection to air quality, but it would be a game changer in international trade. It would empower the union to shut down seaports as easily as longshoremen such as those at the International Longshore and Warehouse Union can today, giving it extraordinary leverage in collective bargaining and unquestionably increasing the cost of moving goods in and out of the country. Anyone who doubts this need only recall how shipping company Sea-Land Service was all but shut down during the 1997 Teamsters strike against UPS.

The Los Angeles port's aggressive pursuit of the employee driver mandate, not just in its initial policy but in staunchly defending it in a lawsuit brought by the American Trucking Associations, exposed a huge divide between the port and its increasingly disillusioned customers, everyone from marine terminals to cargo interests.

Now it's ramping up to an entirely different level. If it weren't enough watching the largest port in the country openly agitate against the interests of its customers, including the cargo owners who can divert containers through any port they please, it has now taken its campaign across the country to Capitol Hill. It is now the agenda of the port, supported by the Port of Oakland, to overturn the federal courts and gain the right to regulate local trucking through an act of Congress by amending the 30-year old Federal Aviation Administration Authorization Act.

The port has hired Gephardt Group — the lobbying storefront of former House Majority Leader Richard Gephardt — to coordinate strategy, and it sent senior staffers such as John Holmes, deputy executive director of operations, to meetings in Washington, including a July 29 session with House Transportation and Infrastructure Committee Chairman James L. Oberstar, D-Minn.

Incidentally, the Sierra Group was also present, officials familiar with the meeting tell us, which compels us to ask (again) why environmental groups, whose goals the trade community supports, continue to pursue a strategy of coordinating with the Teamsters, whose agenda diverges so significantly from its own? It defies logic.

The implications are not lost on anyone. A successful change to the FAA law would empower Los Angeles and any other local port entity to regulate local trucking, including imposing an employee driver mandate. It would pull back the so-called federal pre-emption of state and local regulation of foreign and interstate commerce, creating a burdensome patchwork of local regulation nationwide.

The change would be historic and far-reaching, representing the first retreat in transportation deregulation since air, rail, road and ocean modes began to be deregulated in the late 1970s. Few would deny freight transport deregulation has delivered incomparable benefit to the U.S. economy by reducing costs and improving competitiveness, elements desperately needed as the U.S. faces off again rising powers such as China.

For international container trade — a huge portion of U.S. global trade — those benefits are now at risk.

The trade community recognizes the danger and is united against the effort. No other seaport supports Los Angeles and Oakland, including Long Beach, which has implemented its own clean-trucks program — without the employee driver mandate.

After the Oakland Harbor Commission passed its resolution supporting the Los Angeles position, 32 trade groups representing importers, exporters, retailers and logistics firms signed a July 27 letter urging Oberstar to oppose the measure.

“While we strongly support efforts to improve air quality and port security in and around America’s ports, the effort to undermine federal pre-emption of interstate commerce is an attempt to overturn losses in the federal courts restricting local regulation of truck drayage services,” the groups said. “If successful, these efforts will ... re-impose a fragmented, local, patchwork regulatory structure on foreign and interstate commerce, contrary to the U.S. Constitution and acts of Congress.”

The concern is less that Congress will be persuaded to make a change on the merits than that a drastic, harmful bid by a single interest to tear into the bedrock of interstate commerce could be railroad into law by a determined leadership.

The trade community has become increasingly effective in uniting around issues of common concern. This is one of those issues when the full impact of its unity needs to be felt.

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