



MAYOR ROBERT GARCIA
CITY OF LONG BEACH

REVISED

Date: February 20, 2018

To: Members of the City Council

From: Mayor Robert Garcia *RG*
Councilwoman Lena Gonzalez *LG*
Councilmember Jeannine Pearce *JP*
Councilman Al Austin *AL*
Vice Mayor Rex Richardson *RR*

Subject: Drivers at the Port

RECOMMENDATION:

1) Add language to our State and Federal Legislative Agendas to support legislation that improves working conditions for port truck drivers and addresses related issues; 2) Request the City Attorney to work with the California Labor Commissioner's and Attorney General's Offices to explore options to support regulatory enforcement efforts; and 3) Request the Harbor and Tidelands Committee and the Long Beach Harbor Commission to hold hearings on the trucking crisis and misclassification of employees at the ports with the goal of finding solutions that protect the Port of Long Beach's proprietary interests.

DISCUSSION:

Port leadership and industry experts agree that the current trucking system in the port complex is unsustainable. Long lines and wait times force truckers to spend hours waiting and limits their ability to make an adequate number of trips per day. In addition to this inefficient system, there are also clear issues concerning working conditions.

Truck drivers at the Port of Long Beach are often misclassified as independent contractors which results in them working for poverty level wages and doesn't provide them the necessary protections guaranteed by state and federal laws.

The California Labor Commissioner has received more than 900 complaints regarding misclassification of truckers at the ports and upheld more than 500 claims and awarded millions in fines and restitution. *USA Today* has published several stories in recent months which detail abuses in the trucking industry and describe the working conditions for truck drivers as indentured servitude. These reports detail drivers who work 20-hour shifts, earn little in weekly wages, and are cut off from being given future hauling trips without cause. These conditions cause hardships

to the truckers' families and put the public at risk. The State Labor Commission has fined dozens of companies millions of dollars for misclassifying and underpaying truckers working at the Ports. These working conditions are a symptom of the underlying misclassification problem at the Port that must be addressed. The trucking industry at our Port must be brought into compliance with both labor laws and with basic human justice.

Further, exploitative working conditions have led to significant labor unrest among port drivers protesting their misclassification. In fact, in recent years there have been an estimated fifteen strikes by port drivers resulting in picket lines at the gates of our Port Terminal facilities causing congestion. Such labor disruption risks making the Port uncompetitive and harming our reputation with our customers.

While there are trucking firms that are abiding by labor laws, their ability to compete and pay appropriate wages is undercut by firms who are not paying employees properly. Wage theft and unacceptable working conditions for our truck drivers, as well as detrimental effects to the operation of our Port will continue until we address them.

The City of Long Beach and the Port of Long Beach must work with our state and federal counterparts to identify solutions to address these issues and allow the hard-working truckers moving the goods at our Port to make a living wage and have basic worker protections.

FISCAL IMPACT:

Staff time required to study and advise on the potential policy solutions.