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Deregulation has wrecked port trucking system

By DAVID BENSMAN and YAEL BROMBERG – SPECIAL TO THE RECORD

The federal deregulation of port trucking, like that of the financial sector, has been a calamity visible throughout the metropolitan area. Trucks parked overnight alongside the interstates or disabled and jamming roads leading from the region's ports, clouds of smog blocking the sun and the pungent stench of diesel fumes all are telltale signs.

The results of our recent survey of truck drivers carrying containers to and from the ports of Newark and Elizabeth tell a story not only of worker poverty, but of heavy social costs passed on to the public by the broken industry. Each of us pays the cost in dirty air, higher taxes and lost time on highways. Some of us pay in more critical ways, in fatal highway encounters with container-bearing trucks that slip out of control.

The port trucking system broke down after the 1980 deregulation of the industry. While liberal and conservative critics of ineffective regulation cheered — Sen. Ted Kennedy and Ralph Nader were key supporters — deregulation quickly proved destructive. 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.

For trucking brokers who sell freight services to Target and Wal-Mart, dealing with "independent contractors" has advantages. They don't have to buy trucks and diesel fuel, nor maintain equipment. They don't contribute to Social Security, pay unemployment insurance and workers' compensation taxes, nor conform to Occupational and Safety and Health regulations. They pay their drivers on a per-load basis; no freight means no wages. If the container shipment is delayed, the waiting drivers receive no revenue as they sit with their engines idling.

Today, 75 percent of the approximately 7,000 truckers who regularly drive to the New Jersey ports are independent contractors, earning \$28,000 per year, without employer-provided health insurance or pension contributions, paid vacations or sick days. They are

the working poor; unable to pay for medical coverage for their families, they either go without medical treatment, or rely on public care that the rest of us pay for. As “independent” businessmen, they can’t unionize, and they can’t cooperate with other drivers. (But how independent are they really, when they can drive for only one broker and must do so whenever and however the broker demands?)

The public shares highways with trucks that are, on average, 11 years and a million miles old, and produce 10 times the poisonous emissions of modern vehicles. The fine particulates older diesel engines produce lodge deep in lungs. Children in neighborhoods polluted by heavy diesel exhaust, such as Newark’s Ironbound, suffer retarded lung development. Asthma, lung disease, lung cancer and heart disease all result from the dirty air. In California, the Air Resource Board estimated the public costs at \$20 billion annually. In New Jersey, environmental groups say it’s \$5 billion annually.

Dirty air is not the only problem. Overweight containers are commonplace, and drivers are routinely assigned unroadworthy chassis — with bad brakes, bald tires and dry bearings — to carry the containers. And no one takes responsibility.

The New Jersey State Police don’t patrol roads near the ports; the Port Authority doesn’t weigh containers. Overloaded trucks can’t stop in time. They topple on curves and tear up roads and highways. Spectacular crashes routinely jam the routes out of the port. Traffic delays are a multibillion-dollar tax on the region’s economy.

Port trucking’s unreliable delivery times, outmoded equipment and transient labor force render our regional logistics system inefficient. The trucks lack digital radios, much less onboard computers routinely carried by package delivery drivers; they can’t communicate. Managers told me that the broken port trucking system is a deterrent to expansion.

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

The Los Angeles Harbor Commission has adopted a Clean Trucks Program supported by environmentalists, public health and immigrant rights advocates, and labor unions alike. Our region needs to act.

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