

Driving on Fumes:

Port Truck Congestion Exposes
the High Cost of Doing Business in Newark



COALITION FOR
healthy
PORTS

Spring 2009



“The health impacts from diesel soot in our state will soon have an annual cost of approximately \$4.8 billion, and the broken port trucking system is a major source of this dirty air. Clearly poverty and port pollution go hand in hand and no longer can port officials and elected leaders turn a blind eye to the public health crisis in our communities.”

— **Amy Goldsmith**, Director of the NJ Environmental Federation and the Clean Water Fund

“Every day port drivers see how broken the trucking system is. Diesel pollution harms me and my family’s health. As long as the companies aren’t required to take responsibility for clean trucks and workers like me, Newark’s biggest industry will only generate dirty air and dead-end jobs.”

— **Ramón Colón**, Newark resident, and port driver of 32 years



“The biggest environmental health problem in the Ironbound is the high rate of asthma due to poor air quality. The role diesel emissions play in respiratory illness is worrisome because thousands of port trucks come through our neighborhood every day. The companies at the port who hire trucks to transport their goods have to take responsibility for the conditions of the trucks. Until the port becomes a better neighbor, we will continue to see high levels of asthma and other respiratory illnesses in our neighborhoods.”

— **Cynthia Mellon**, Community Organizer and Ironbound Resident

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Abstract

A broken business model at the Ports of Newark and Elizabeth literally has a choke hold on port truck drivers and the residents of the surrounding communities. The Ports of Newark and Elizabeth are the nation's third largest trade hub, but port-adjacent communities have not benefitted from the billions of dollars generated by port commerce.

This is the first in a series of papers issued by the Coalition for Healthy Ports which will examine the impact of goods movement on the port-adjacent communities of Newark and Elizabeth and recommend a comprehensive policy solution that will help responsible businesses compete. This preliminary report is an introduction to the public health crisis created by the exploitative system of port trucking. Highlights in this report include the public health crisis associated with port commerce, the high cost of a deregulated port trucking system and a holistic solution which will clean the air and create sustainable, middle class jobs. Subsequent topics will cover issues related to port commerce such as pollution, poverty, public health, driver working conditions, highway safety and the combined benefits of green-growth policy solutions. The Coalition for



Healthy Ports is comprised of 20 environmental and environmental justice organizations, labor, faith-based, and local community groups committed to raising environmental and labor standards and to help port trucking in New York and New Jersey region become a sustainable, competitive industry equipped to meet the challenges of the 21st century.

In December of 2008, the Coalition conducted a community truck count in Newark to monitor the volume of port trucks in neighborhoods. Participants were trained to identify container trucks and bobtails which are both related to port commerce. The truck count revealed that port trucks associated with port commerce continue to pass through neighborhoods at a rate of 4 to 5 trucks per minute. Port trucks are some of the oldest, dirtiest diesel trucks on the road. As a result of this port truck volume, high levels of diesel particulate matter are concentrated in port-adjacent communities. The environmental impacts of port commerce have strained the public health care system. Children, port truckers and the elderly are highly susceptible to asthma, lung cancer and other respiratory and cardiovascular illnesses associated with diesel particulate matter.

Introduction

The Ports of Newark and Elizabeth are a backbone of the Northern New Jersey economy. Goods, often manufactured in China and Southeast Asia, enter the ports and from there, travel to warehouses and distribution centers before making their way to store shelves. Most of these goods are distributed to consumer markets via port trucking, or drayage. The low-income communities located adjacent to the ports bear the consequences generated by a chaotic port commerce system which allows low wages, health and safety risks, road congestion and pollution. The Port Authority of New York and New Jersey claims to be an economic engine for the region, but the port-adjacent City of

Newark, New Jersey has not benefited economically or environmentally from port commerce.

Newark is in the United States Environmental Protection Agency's NY-NJ-CT non-attainment county (EPA, 2006). Non-attainment refers to "a locality where air pollution levels persistently exceed National Ambient Air Quality Standards, or that contributes to ambient air quality in a nearby area that fails to meet standards"(Scorecard, 2008). A report from the Clean Air Task Force (CATF) ranks New Jersey as fourth with regard to negative health impacts attributed to diesel particulate matter; the Newark metropolitan area is rated as number one (CATF, 2005).

Newark: The True Cost of Doing Business Locally

Even during economic downturns, the number of trucks passing through Newark neighborhoods has held steady. Recent field research by the Coalition for Healthy Ports revealed the volume of trucks is comparable to a 2006 New Jersey Environmental Federation report. Trucks continue to go through residential neighborhoods, pass by schools and parks and idle on local streets at the rate of 4 to 5 trucks every minute (NJEF, 2006). The response to those data has two components: a local community response which includes the development of truck rest stops, and a larger, comprehensive strategy to implement the Coalition for Healthy Ports' "Clean Air Action Plan" (CHPs, 2008).

There are several locations in the City of Newark where port trucks travel every day. These locations include schools, playgrounds, parks, a baseball field and public swimming pool. In June of 2006, the New Jersey Environmental Federation (NJEF) released a report which identified "diesel hotspots" in Newark. The graph on this page indicates spikes in diesel particulate matter which correlate to truck traffic (NJEF, 2006). The NJEF report found that areas with

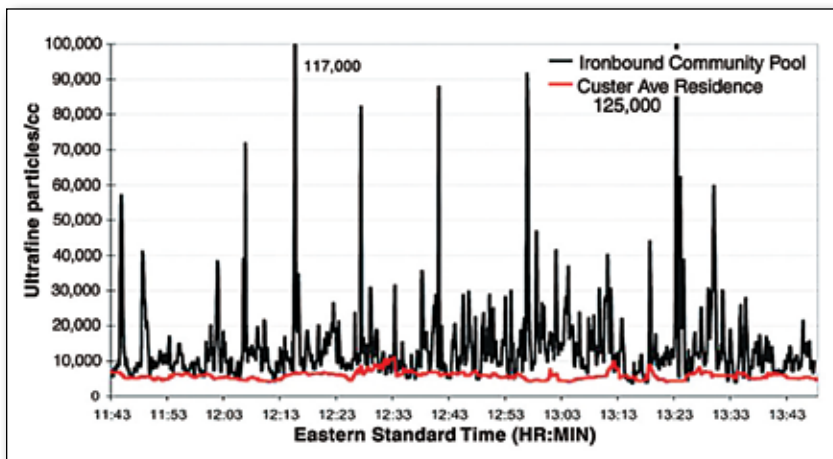
heavy truck traffic contained elevated levels of diesel soot and revealed that 250-300 diesel trucks passed through the Ironbound neighborhood in an hour (NJEF, 2006). In 2008, during a two hour period, the Coalition for Healthy Ports counted as many as 600 trucks on Newark roads (CHP, 2008).



A Mounting Public Health Crisis. Both local residents and port truck drivers suffer from the impacts of concentrated diesel particulate matter. Studies have revealed a correlation between high levels of diesel particulate matter, cardiovascular disease, cancer and asthma. Children and the elderly are particularly vulnerable to high concentration of diesel soot levels (NJEF, 2006). In Newark, these populations remain at risk for disease related to diesel pollution from port trucks. A statewide study

revealed that Essex County had one of the highest asthma related mortality rates in the state with a doubling within minority populations (NJEF, 2006). Health impacts from diesel soot are expected to total \$4.8 billion in 2010 and UMDNJ estimates that asthma related treatment is 12% of New Jersey's managed care costs (NJEF, 2006).

Many port drivers reside in port-adjacent communities such as Newark, Elizabeth and Jersey City (Bensman, 2009). A recent study in *Environmental Health Perspectives* found that trucking industry workers also suffer from high rates of lung cancer due to "regular exposure to vehicle

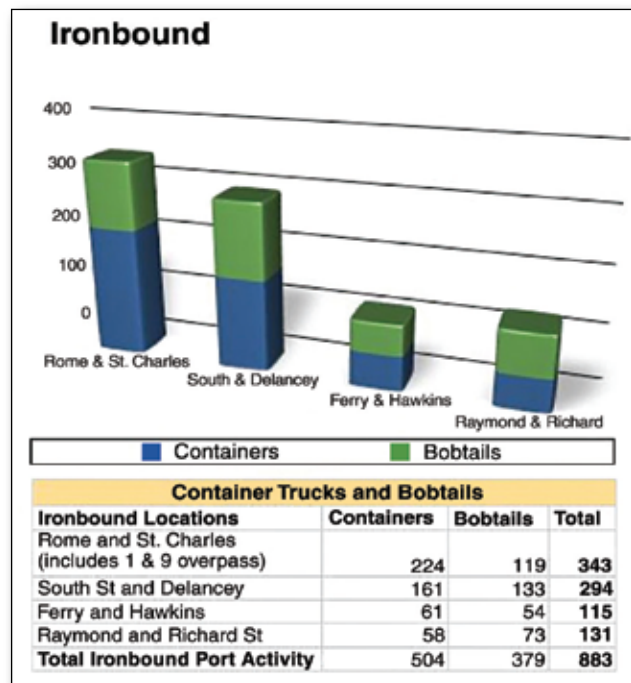
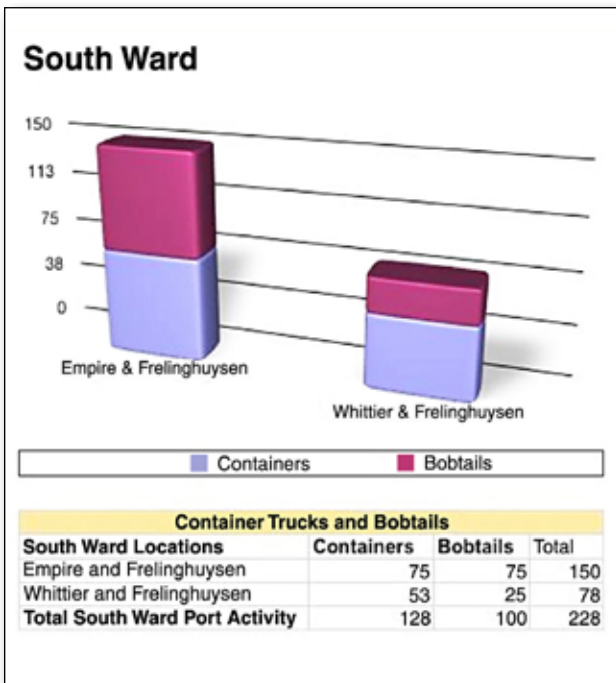
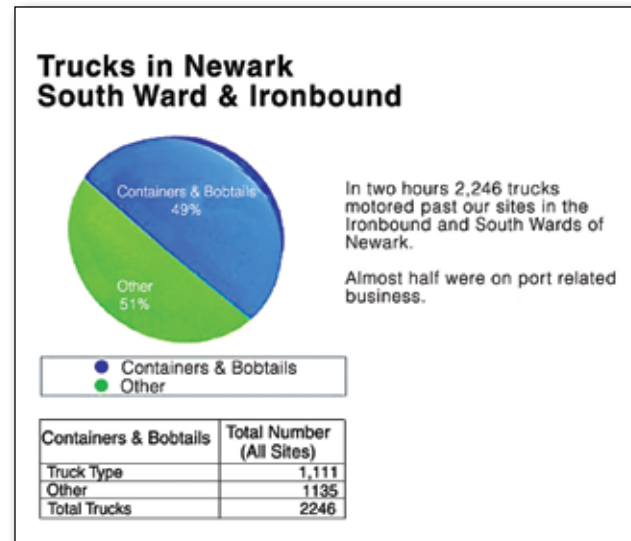




exhaust from diesel and other types of vehicles on highways, city streets and loading docks have an elevated risk of lung cancer with increasing years of work” (Garshick, Laden, Hart, Rosner, Davis, Eisen and Smith, 2008).

Got More Data? In December of 2008, the Coalition conducted a truck count in the City of Newark which included four locations in the Ironbound neighborhood and two locations in the South Ward. The Ironbound locations included Rome and St. Charles Streets (as well as the Route 1/9 overpass); South and Delancey Streets; Ferry and Hawkins Streets; and Raymond Boulevard and Richards Street. South Ward locations included Empire and Frelinghuysen, and Whittier and Frelinghuysen. After one hour of monitoring in the morning and another in the afternoon, a total of 504 trucks passed through four locations in the Ironbound and 128 trucks in two locations in the South Ward (CHP, 2008).

Truck Count 101. Prior to monitoring locations, participants received a brief training and were given handouts with pictures to differentiate container trucks, bobtails (tractors) and other trucks. Container trucks and bobtails are used primarily for port drayage and are the oldest, dirtiest diesel trucks on the road. The Coalition for Healthy Ports wanted to ensure that trucks specific to port commerce could be identified, isolated and counted. Participants included local community residents, environmental and public advocates, students from local schools and several port truck drivers. In addition to counting trucks, participants noted idling trucks on local streets as well as truck congestion on the Route 1/9 overpass.



Port Trucking: Deregulation and Unsustainable Communities

Port trucking was once a regulated industry which produced middle-class jobs with benefits. However, after deregulation in 1980, work standards eroded and trucking companies were permitted to compete based on providing the lowest freight rates. This has forced responsible employers to leave the industry. Today, the port trucking industry is an underground economy rife with inefficiencies, safety hazards, and pollution linked to poor working conditions. A new Rutgers University study of New Jersey port drivers revealed that they barely earn enough to maintain their trucks and certainly do not earn enough to purchase newer, cleaner running trucks (Bensman, 2009).

Approximately 7,000 port drivers enter and exit the Ports of Newark and Elizabeth daily; 75% of these drivers take orders from trucking companies who skirt workers' compensation and other payroll taxes by misclassifying their drivers as "independent contractors" rather than employees (Bensman, 2009).

This means drivers' net earnings are severely reduced because they are forced to own, maintain and fuel the tool of the trade – the truck – instead of the companies that hire them to haul goods. These workers are paid by the load, not for wait time spent in traffic or while idling at the terminal gates. According to the

Rutgers survey, port drivers hover near the poverty line, averaging \$28,000 a year (Bensman, 2009). Not surprisingly, many of these drivers refer to their jobs as "sweatshops on wheels" (Belzer, 2000).

As a result of these poverty-level jobs, at least half of the trucks entering the Ports of Newark and Elizabeth that travel on local roads and highways are 11 years old or older (Starcrest Consulting for PANYNJ, 2008). Academics and port stakeholders around the country that have studied the business model see an undeniable link between the labor system of independent contractors, the aging, "dirty" rigs, and the health of the drivers and members of the community.



The High Public Cost of an Inefficient System

The Federal Motor Carrier Safety Administration (2009) conducted a Motor Carrier Efficiency study, which states delays at the ports cost the industry \$900 million a year (p. xi). The report also states that the cost for driver turnover is \$8,200 for every lost driver. Both of these inefficiencies are connected to the misclassification of port drivers as independent contractors and the unreliable vehicles they own. The outcome is that these port drivers and local residents are exposed to great health and public safety risks, as well as other spillover costs (known as “externalities” in economics). The driver workforce and community

members pay a heavy price with their lungs and livelihoods, with taxpayers also footing the bill. It has been estimated that illness related to diesel soot will cost nearly \$4.8 billion in 2010 (NJEF, 2006).

In a nutshell, the more economic deregulation that takes place at the ports, the more social regulation that is needed to mitigate externalities such as high public health costs (Belzer, 2000). To date neither the federal government nor the Port Authority has prepared itself to manage or mitigate externalization of industry costs due to low wages, lack of health insurance and respiratory illnesses related to diesel emissions.



A Real Cure, Not a Band-Aid to Improve Job Quality and Clean the Air

The Coalition for Healthy Ports advocates a comprehensive, holistic solution to the serious problems outlined above. The remedy encompasses two basic components: 1) a community program designed to manage and control truck routes, parking and idling; and 2) a program designed to address the drayage industry's market failure, which is evident in the low wages, exploitative competition and high levels of diesel pollution.

Gridlock no more. Trucks idle on local roads, such as Ferry Street in the Ironbound section of Newark, due to an absence of adequate locations for drivers to park or use restroom facilities while waiting for port gates to open. Through a series of community meetings, Ironbound residents continue to gain an understanding that idling on local roads is a consequence of an inefficient goods movement system and that the sustainable solution is to make trucking companies responsible for replacing old, dirty port trucks. One solution is to provide drivers with a local rest stop that has proper electrical hook-ups for trucks. Truck stops which include electric hook-ups will provide port truckers with a clean, safe place to rest while keeping trucks from idling on local roadways. This, however, will not solve the issue of high volumes of old, polluting, unsafe trucks on roads and highways. In the end, the goal is to have cleaner, safer trucks, good jobs and an efficient system for moving goods.

Green Light the Clean Air Action Plan. The Coalition for Healthy Ports has drafted and put forth a holistic solution to the problems outlined above. The Clean Air Action Plan highlights four pieces which are necessary to improve community benefits: (1) modernize and retire dirty diesel trucks at the port; (2) vastly improve the efficiency of freight movement and workforce stability; (3) consistently enforce and strengthen existing environmental, labor and transportation standards; and (4) improve air quality in port-adjacent communities (CHP, Clean Air Action Plan, 2008).



The Coalition for Healthy Ports is committed to working with the Port Authority to end the fiction of independent contractor status; enact and enforce a direct relationship, between trucking companies and the port; internalize currently externalized costs; and transform the industry into a thriving, prosperous asset-based market that creates the capital to sustain these investments.

A first step to reduce diesel emissions at the ports and in surrounding communities is for the Port Authority of New York and New Jersey to institute a rigorous truck ban which would require 2007 United States Environmental Protection Agency diesel emissions standards or better to be met by all trucks and equipment at or entering the port, within five years. A holistic solution for labor standards must be developed in order to ensure that port drivers are able to afford and maintain their trucks while ensuring that they have access to a living wage, safe and healthy working conditions and benefits. This is the only sustainable solution to the problems associated with diesel particulate pollution at the ports.

Conclusion: Unlocking Newark’s Potential to Boast a Model and Modern Green Port

The ports of Newark and Elizabeth are the nation’s third largest trade hub, but drivers and local communities have not shared in the billions of dollars of economic benefits that port commerce has generated for corporations in the international shipping industry. Port-adjacent communities carry the economic and environmental burdens of a chaotic port trucking system. Port trucks literally choke and clog port-adjacent communities in Newark due to this broken, antiquated system that is ill-prepared to meet the challenges America’s businesses and workforce face in the 21st century.

The Port Authority of New York and New Jersey is the agency that has the power to implement and enforce the Clean Air Action Plan. It is in the Port Authority’s interest to boldly respond to the public health crisis created by the broken and exploitative, independent

contractor system that has also crippled trucking companies’ ability to move goods efficiently.

It is important to note that emissions-reduction goals and environmental stewardship are not incompatible with growth and competitiveness – even in a recession – as the advent of industry conferences aptly named “Faster Freight, Cleaner Air” demonstrate. In fact, the reverse is true as data and analysis of real cost-savings and dramatic efficiency gains are reported by port and industry officials, academics, economists and other stakeholders reveal. Fortunately, we have best practices and new partnership models that are tested and have achieved real results.

The Clean Air Action Plan is what we need to ready Newark for the rebound – with moral courage and political will, we can boast clean air and good middle-class jobs once again.



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ENOUGH
IS ENOUGH!

Make the Trucking Industry
Responsible for Clean Air.

The Coalition for Healthy Ports is the sister alliance of the Coalition for Clean & Safe Ports in LA, Oakland, and Seattle and is a broad coalition of environmental, labor, faith, community, environmental justice, and business organizations that seek to create sustainable ports in New York and New Jersey. The Coalition is committed to a lasting solution to clean the air and stimulate good, middle-class jobs for surrounding port communities, and includes the following organizations:

Environment NJ • Garden State Alliance for a New Economy (GANE) • GreenFaith • Haiti Solidarity Network of the North East (HSNNE) • International Brotherhood of Teamsters • Ironbound Community Corporation • Jubilee Immigrants' Rights Task Force • Newark Presbytery Work Group on Globalization • NJ Environmental Federation • NJ Environmental Justice Alliance • NJ Sierra Club • NJ Work Environment Council • The Globe in the Port Project, United Nations Association, New Jersey Division • Clean Water Fund • United Nations Association USA, NJ Division • Urban Environmental Institute • Change to Win



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