

Port authority chief says clean-trucks program for NY-NJ is inevitable

By John Gallagher

(12/08/08) -- The opportunity is ripe for environmentalists in the areas around marine terminals in New York and northern New Jersey to push for cleaner trucks.

Approximately 9,000 drayage truckers serve the nation's third-largest container port, which handles more than 5 million TEUs and 30 million tons of ocean cargo annually.

Some type of clean-trucks program in the port is inevitable, said Christopher Ward, executive director of the Port Authority of New York and New Jersey. However, that doesn't mean a Southern California-style ban on owner-operators at the port is a given.

"There are a variety of different strategies depending on what part of the world you're attempting to deal with," Ward said.

The Teamsters union, a strong advocate of the clean-trucks plan at the San Pedro Bay ports of Los Angeles and Long Beach, wants similar programs to spread to ports across the country, along with a requirement that drayage drivers be company employees, and therefore eligible for union membership.

Speaking at a panel discussion sponsored by the Drum Major Institute for Public Policy, a liberal think tank, in New York last month, Ward noted that Los Angeles and Long Beach are divided over whether owner-operators should be allowed to work at port terminals. "That's something that New York and New Jersey needs to be careful about, only because we perhaps have a higher number of independent truckers," Ward said.

He also wants to ensure that money spent to make the bistate port greener stays at the port. "When you are providing incentives either buying the truck, financing the truck, providing loans against trucks you want to make sure that (the trucks) stay within the region."

As the LA-Long Beach program gains attention at ports nationwide, trucking and shipper groups are challenging it.

Advocates of the clean-truck program, including the Teamsters, environmentalists and community activists, have slammed the industry lawsuits as "immoral," decried "diesel

death zones" around ports and linked environmental progress with unionization and the creation of "green jobs."

The Teamsters have long sought a way to organize, or reorganize, intermodal truckers. The drayage industry at many ports was unionized before the deregulation of trucking in 1980. Many small, unionized drayage companies went out of business in the following decade, creating an opening for owner-operators and the current model of nonunion drayage.

Port interests in New York and New Jersey maintain that safety should be a major reason for putting a clean-truck plan in place.

"When I first got into the harbor business, it was a common saying that trucks went to the ports to die," said J. David Stein, executive director of Nation's Port, an advocacy group for the Port of New York and New Jersey.

"Somehow that didn't seem to meet the test of what was proper and responsible," he said. "You don't want trucks on life support carrying 40 tons of sensitive goods on the freeways. It's not about who's right and wrong, but how to set up a system where you minimize a catastrophic failure. We should be doing everything in our power to minimize that."

With incentives that provide up to \$30,000 for each truck that meets strict emissions standards, Southern California's version of the program has given trucking companies that have long specialized in long-haul trucking a reason to expand their services into drayage.

But not all traditional long-haul trucking companies agree on the merits of pursuing such a strategy. Werner Enterprises has looked "and continues to talk" to ports around the country, including Southern California. So far, the Omaha, Neb.-based carrier isn't convinced there's a business case to be made for entering port drayage.

"The underlying economics are still suspect," said Derek J. Leathers, Werner's chief operating officer. "Meaning, can you make money at intermodal drayage as a large carrier? I'm not saying it can't be done, but there's not yet been an example of a large multinational company that has effectively been able to manage port drays and do so profitably. The owner-operator model and the very low cost model that exists today are difficult to compete with."

As part of a large nonunion trucking company, Leathers is also concerned about potential disruptions that can occur at port complexes where labor unions are involved and about the potential inroads that the Teamsters could make at his company.