

RESOLUTION TRADE, TRAVEL AND TOURISM

WHEREAS, the San Pedro Bay Ports comprise the largest port complex in the nation and are a vital economic driver for the City of Los Angeles, the State of California, the nation, and the world; and

WHEREAS, the flow of goods through the San Pedro Bay Port complex and the related economic activity it develops has a direct impact on the local Southern California economy, in particular on the City and County of Los Angeles; and

WHEREAS, the economy that has developed around the flow of goods through the San Pedro Port Complex results in hundreds of thousands of jobs for hardworking men and women in the City and County of Los Angeles; and

WHEREAS, employers that benefit from moving their goods through our communities should pay family-supporting wages, provide safe and healthy working conditions, respect workers' rights to organize, and comply with local, state and federal employment and labor laws; and

WHEREAS, wage theft is widely documented in the port trucking industry, with well over 400 California Labor Commissioner decisions finding drivers were owed over \$50 million in wages stolen due to their misclassification as independent contractors; and

WHEREAS, these and other labor abuses have led to repeated labor disruptions, with 16 strikes by port drivers and warehouse workers in the past five years. These strikes disrupt the flow of cargo and jeopardize the Port's reputation; and

WHEREAS, in December, 2018, the California Labor Commissioner determined that California Cartage Company (Cal Cartage, now known as NFI) owed 14 of these drivers over \$3.7 million. Additionally, the Los Angeles Office of Wage Standards is conducting an ongoing investigation of Cal Cartage/NFI for violations of the Los Angeles minimum wage and paid sick leave policy; and

WHEREAS, labor abuses and health and safety violations were also rampant at the Cal Cartage/NFI warehousing operation on Port property. The City Council vetoed the Harbor Commission's approval of Cal Cartage/NFI's lease following repeated labor disruptions; and

WHEREAS, Cal Cartage/NFI recently vacated its operations at the Port of Los Angeles, which included both the warehouse and two trucking operations, K&R Transportation and Cal Cartage Express. Another tenant has negotiated a new lease with the Port of Los Angeles, who will be required to abide by the Los Angeles Service Worker Retention Ordinance to offer work to the former Cal Cartage/NFI workers. Many of these workers reliably moved the goods for the retail customers of Cal Cartage/NFI for decades; and



WHEREAS, many retailers and beneficial cargo owners who move their goods through the Port and through our communities have codes of conduct that set basic standards for working conditions throughout their supply chains across the globe; and

WHEREAS, cargo owners hold significant power and responsibility within the supply chain here in California, as recognized by Senate Bill No. 1402, which went into effect January 1, 2019, and established joint liability for wage violations for cargo owners that contract with port trucking companies with unsatisfied final judgments;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby urges all motor carriers and warehouse operators that do business on Port property to comply with all local, state, and federal laws, including laws regarding worker classification, wages and hours, labor rights, and health and safety; and,

BE IT FURTHER RESOLVED that cargo owners are urged to enforce their codes of conduct and require the companies they contract with to move their goods to comply with labor and human rights standards; and, if their contractors are found to be out of compliance, they should move their work to a company that will meet their standards and comply with all local, state, and federal laws; and,

BE IT FURTHER RESOLVED that customers who left with Cal Cartage/NFI are encouraged to bring their work back to the community, to the same workers who previously moved their goods and will be coming back to the new operator.

PRESENTED BY: 

JOE BUSCAINO

Councilmember, 15th District

SECONDED BY: 