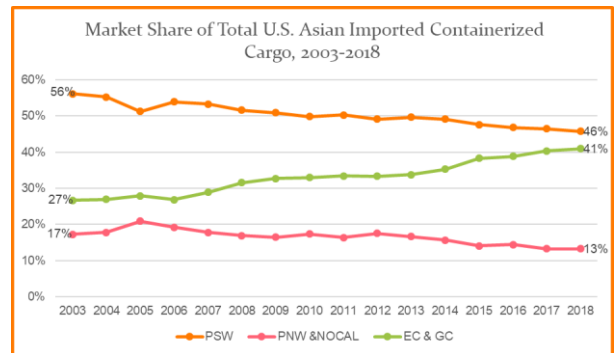


Sustaining the San Pedro Bay Community – Ports of Los Angeles & Long Beach

- **Cargo is the lifeblood of the LA/LB Ports, enabling jobs and economic vitality for port communities, the region and the state.** The Ports generate a total of 179,108 direct, indirect and induced jobs (excluding jobs generated by importers and exporters) in the Los Angeles region.
- A critical driver for the Ports is discretionary cargo – container cargo that arrives at the LA/LB Ports and is then shipped by truck or rail to destinations elsewhere in the United States. Approximately one-third of the containers coming into the LA/LB Ports is discretionary cargo.
- In 2018, discretionary cargo at the LA/LB Ports supported nearly **68,253 direct, induced and indirect jobs** in the Southern California economy. Of these, 28,078 are direct jobs that provide \$7.1 billion in wages and \$851 million in state and local taxes. Direct jobs include longshore, trucking, rail, warehouse, etc.

- **The LA/Long Beach Ports are losing overall market share of Asian imported containerized cargo to East Coast and Gulf Coast ports at an alarming rate. (see chart)**



- Terminal operators are required to replace diesel cargo handling equipment in order to improve air quality at a cost of billions of dollars, **adding significant increases to current non-competitive container handling charges.**

- Automation will help offset these costs and help retain market share.
- Current container charges at LA/Long Beach are 90% to 165% higher than those of competing ports, resulting in lost discretionary cargo to East Coast and Gulf Coast ports.

North Atlantic	South Atlantic	Gulf	Eastern Canada	LA/LB
\$310	\$285	\$300	\$204	\$540

- The loss of discretionary cargo that has a significant multiplier effect on trucking and rail, warehousing and distribution, and importers and exporters.
- Automation delivers **benefits** in terms of **continued employment within port communities and in the region.** Modernizing APM Terminals / Pier 400 would assist in **stemming the ongoing decline in market share** by partially balancing the increased costs of environmental compliance and increasing efficiencies within the terminal.
- The collective bargaining agreement with the ILWU **specifically recognizes the contractual right of terminal operators to automate.** The impact of automation on the ILWU workforce would be limited. Under the collective bargaining agreement, **ILWU members are guaranteed 40 hours of weekly pay until retirement,** even if work is unavailable due to automation or technology.