

Trade –Offs in Multi-Modal Handling of Goods ... Balancing the Environment & Economics



John E. Husing, Ph.D.

Economics & Politics, Inc.

No Where Is The Conflict Between Economic
& Environmental Goals More Stark Than In
Goods Movement!

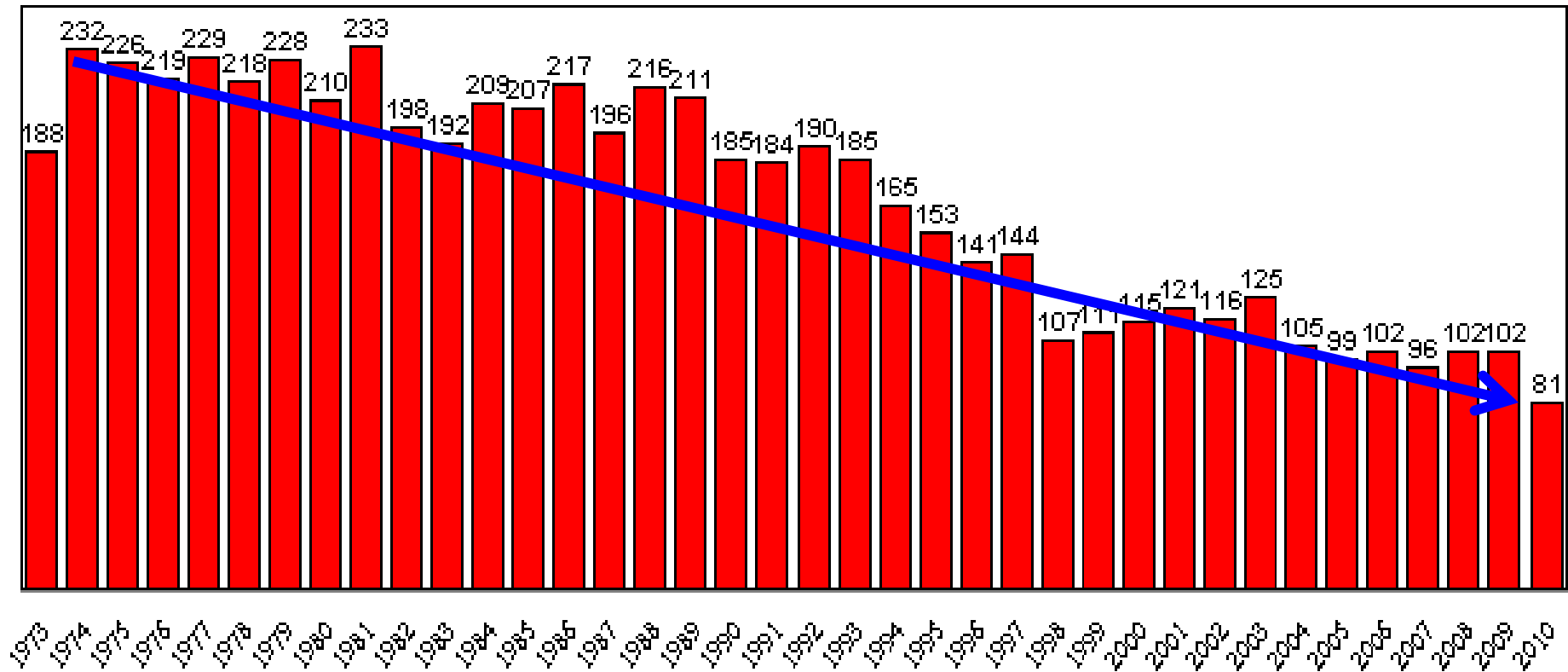


For Years ...

**CA's Primary Economic Focus Has Been
On Cleaning Up The Environment**

Ozone...Increasing Conformance

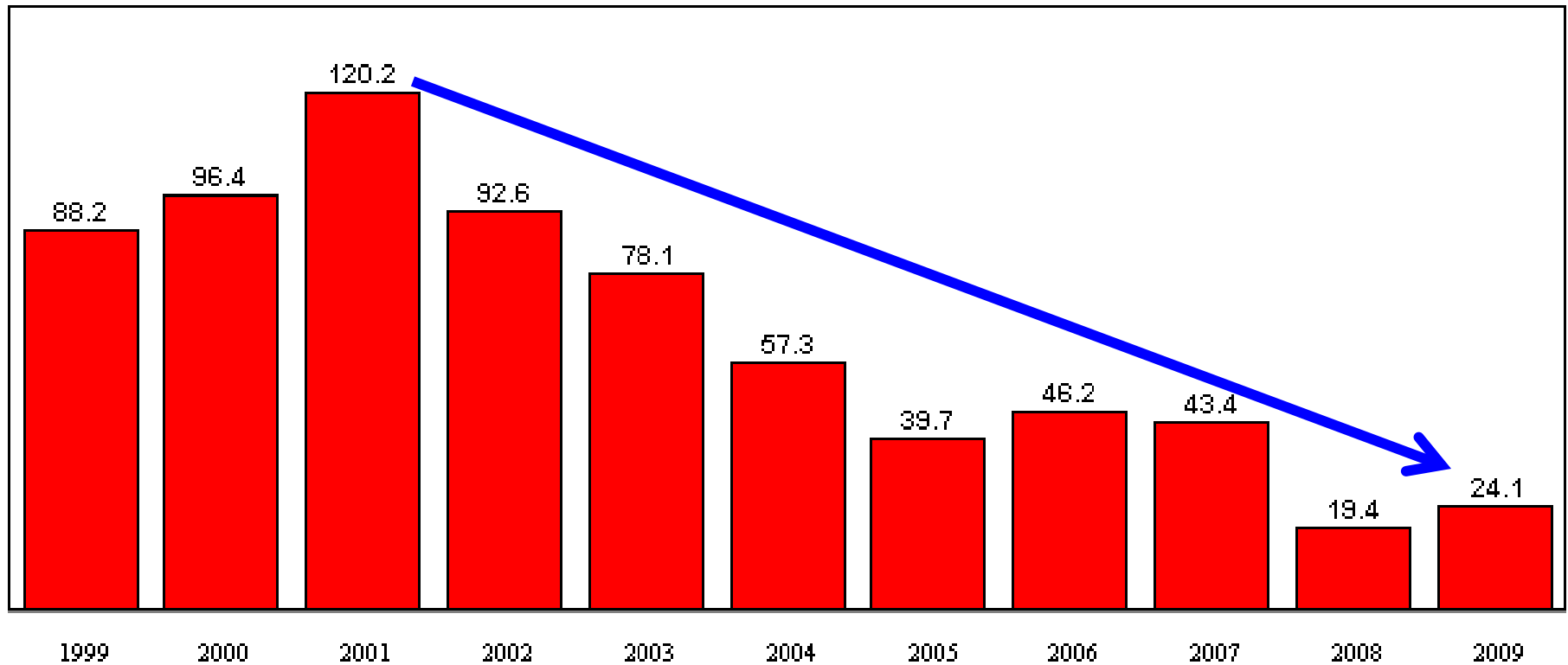
**Southern California Air Quality
Days Exceeding CA Standard, 1976-2010 (Maximum: .09 ppm Ozone)**



Source: South Coast Air Quality Management District

PM 2.5 Improved

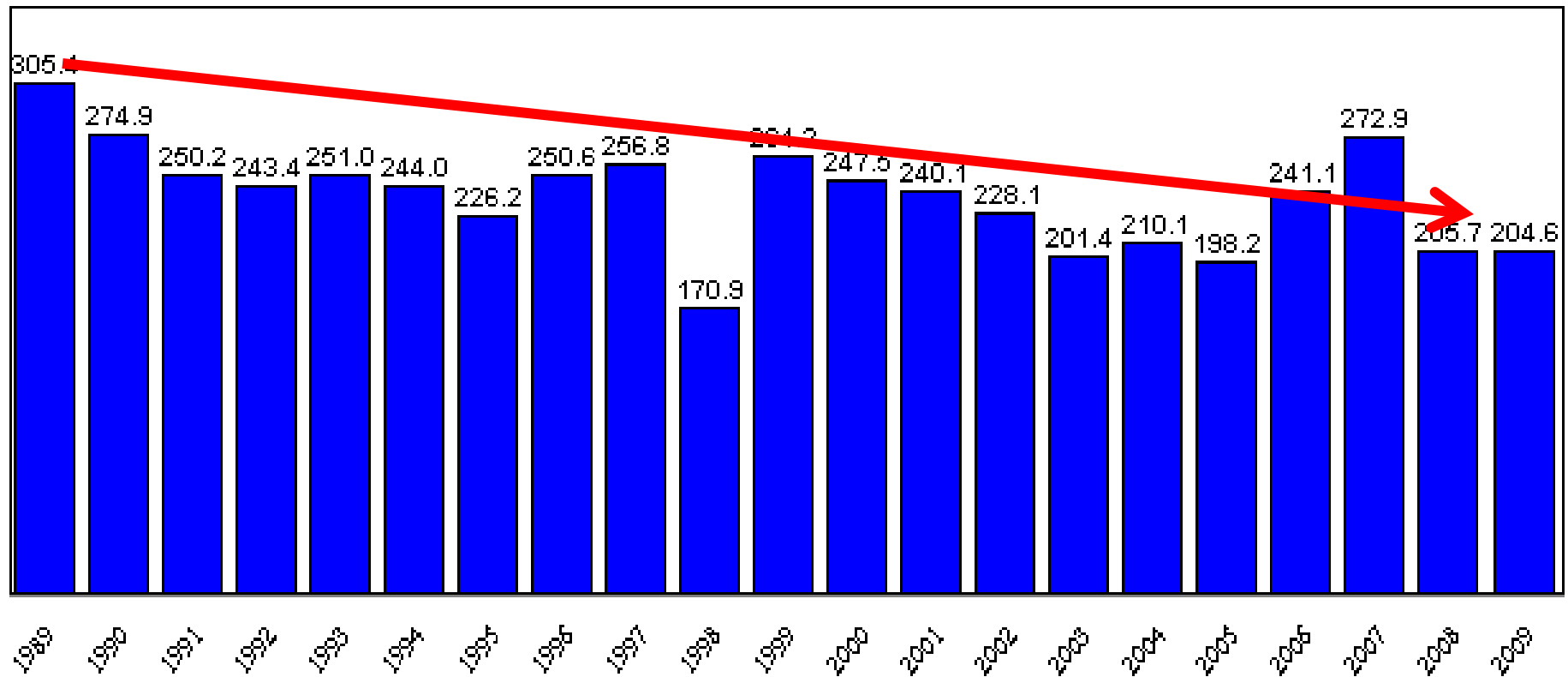
Southern California Air Quality: PM 2.5
National 24 Hour Standard



Source: South Coast Air Quality Management District

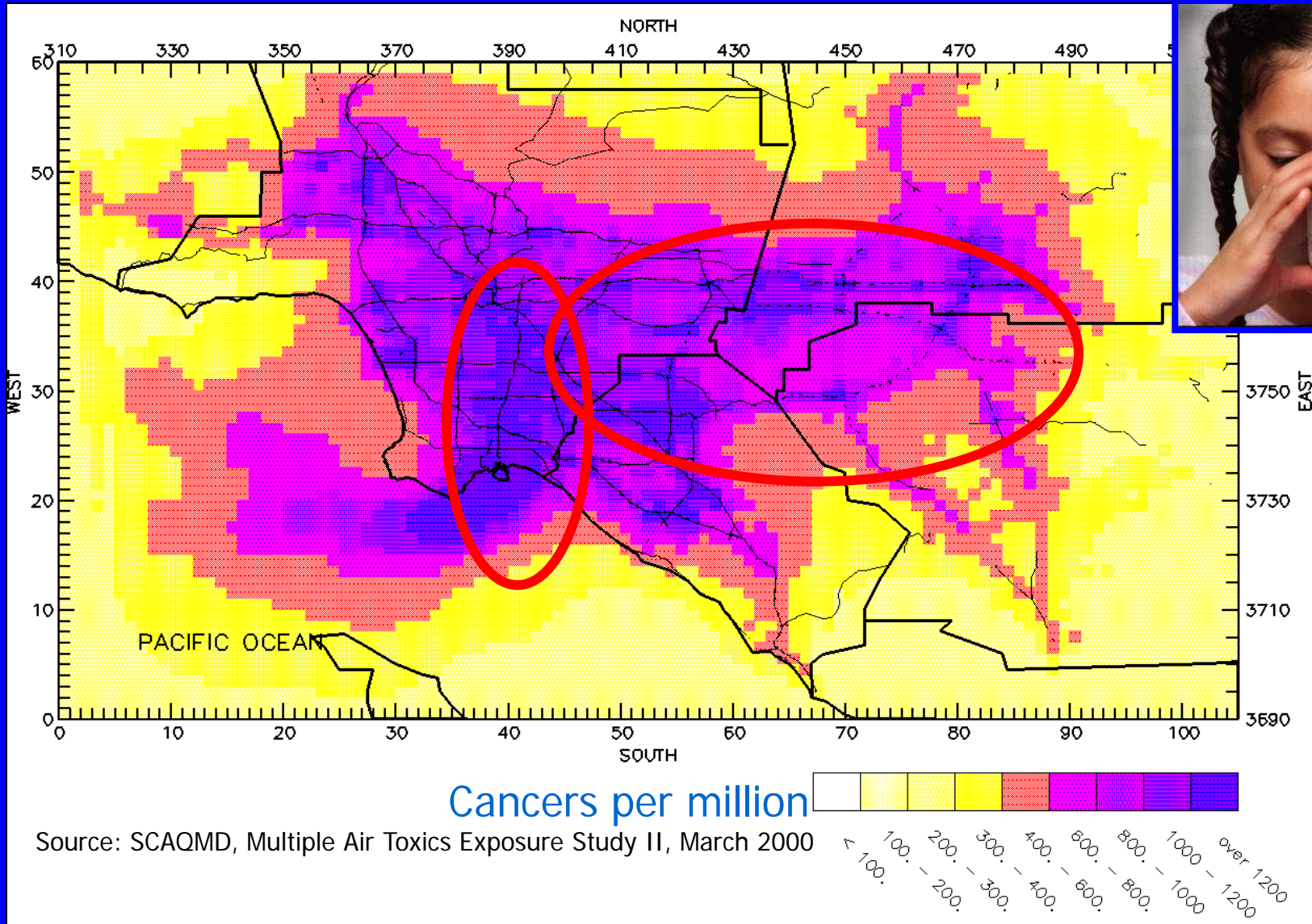
PM 10: A Challenge

Southern California Air Quality: PM 10
California 24 Hour Standard



Source: South Coast Air Quality Management District

Goal Is to Reduce Asthma & Cancer Risk From Airborne Toxics



Port Clean Truck Program



**230 to 1,450 Premature Deaths
Will Be Avoided**

On West Coast Near Asia



Los Angeles



Long Beach

CA Deep Water Ports Can Serve Ships Needing 50 feet of Water

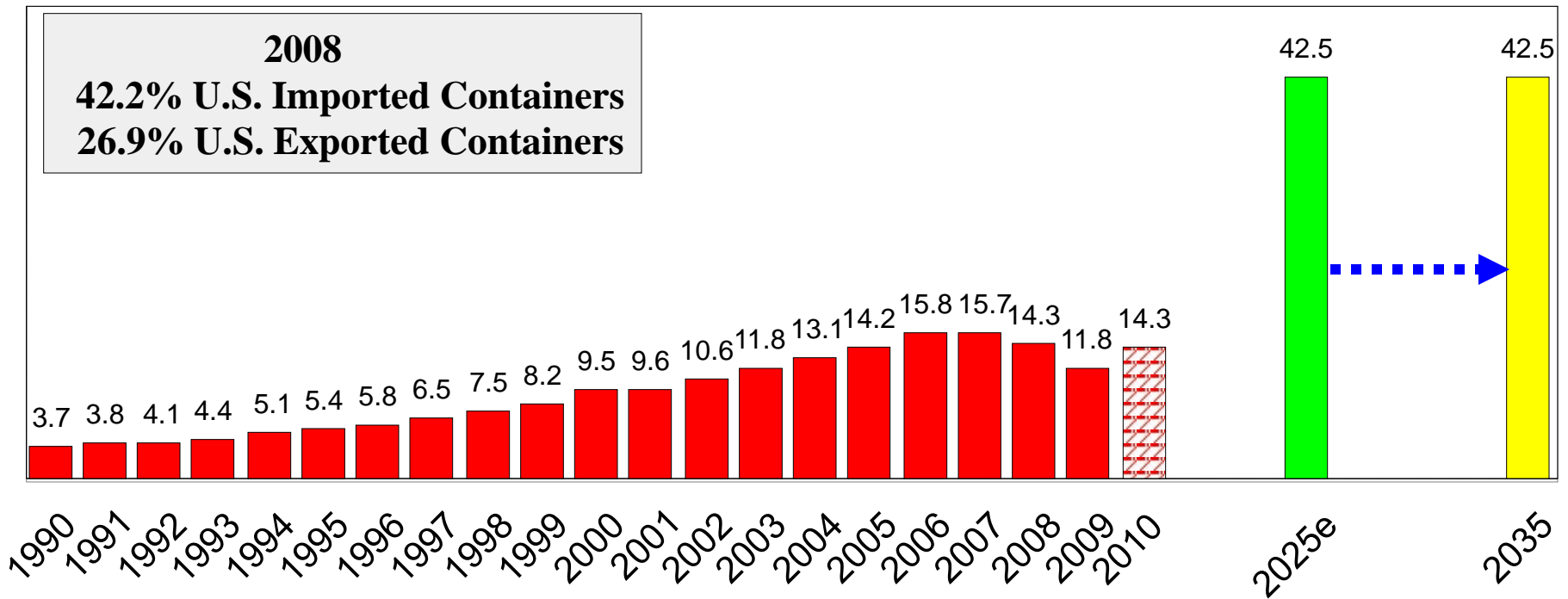


8,000-Container Post-Panamax Ships

Port Container Volume

Port Container Traffic

Ports of Los Angeles & Long Beach, 1990-2009 & Long Term (million TEU)



TEU=20 foot equivalent container units

Source: Ports of Los Angeles & Long Beach, Forecast by Global Insights

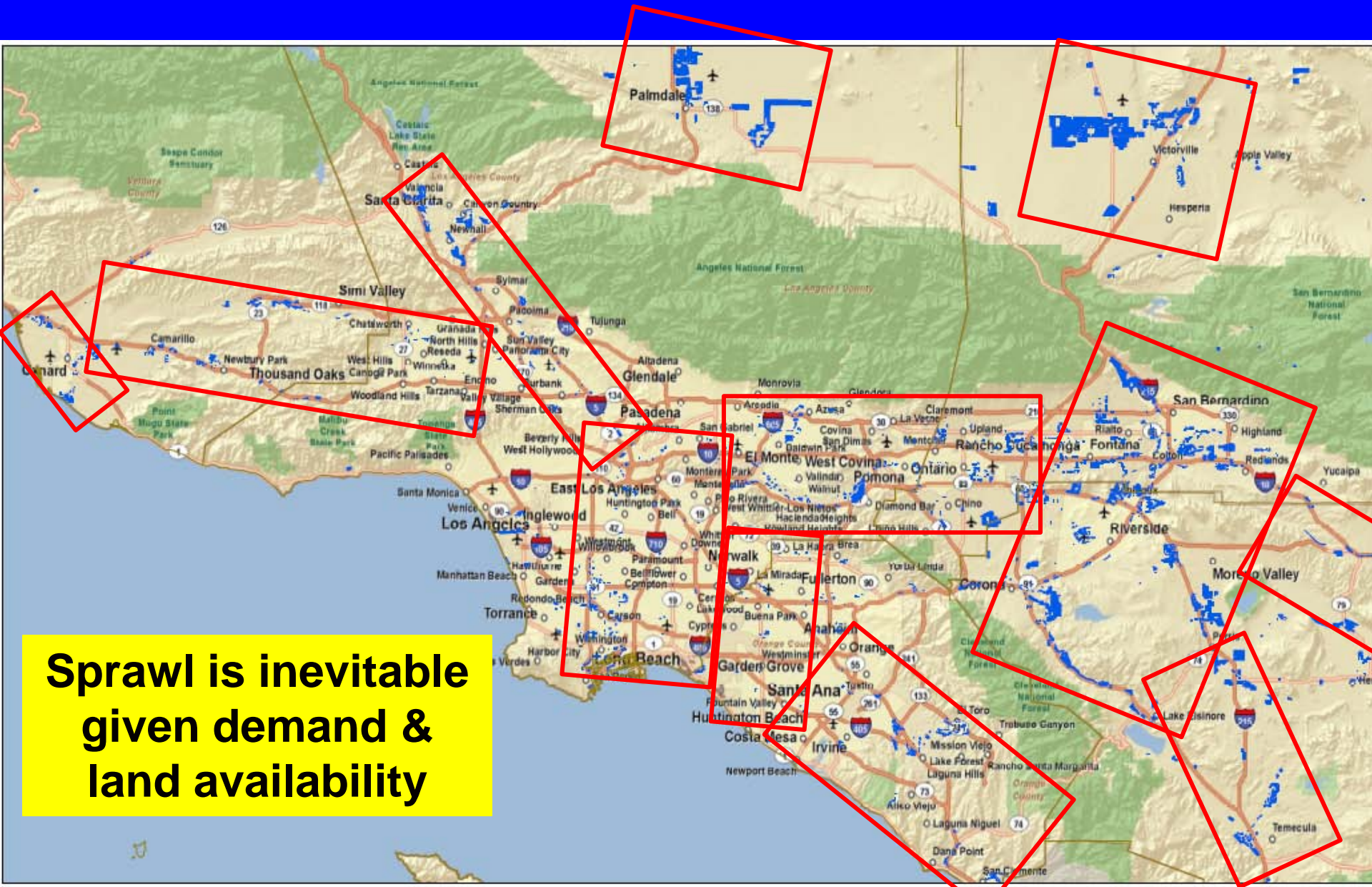
Demand For Added Warehousing Space

<u>Demand</u>	<u>Square Feet</u>
Port Related	205,200,000
Non-Port Related	<u>351,000,000</u>
Total Additional Space Needed	556,400,000

Available Warehouse Space



Results: Build-Out About 2030

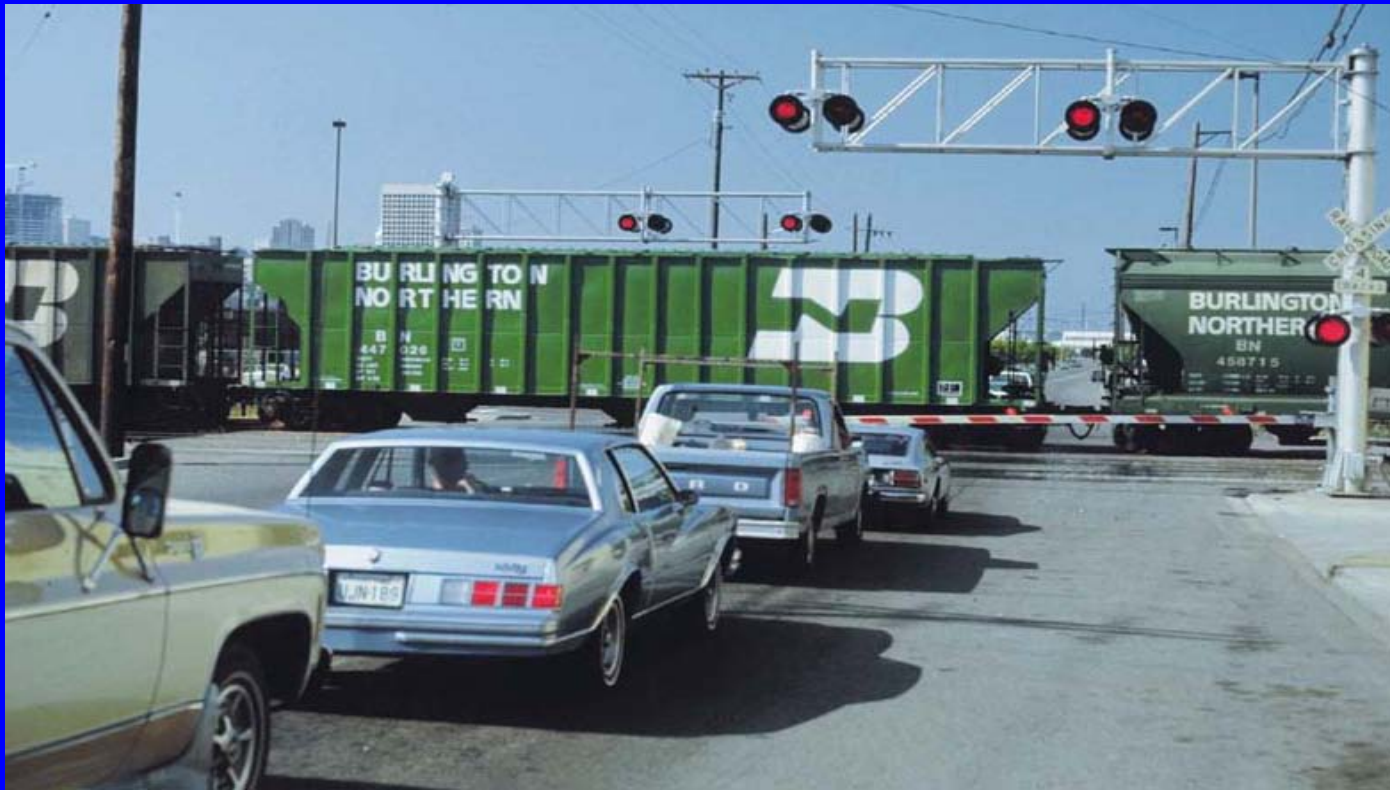


**Sprawl is inevitable
given demand &
land availability**

Trucks & Traffic Congestion



Lack of Rail Grade Separations Divides Cities



Increased Intermodal Yard Operations



Increased Air Cargo Operations



No Doubt Goods Movement Presents Challenges . . .



But on the other hand. . .



“Give Me A One-Armed Economist”

President Harry Truman

California Wage & Salary Employment

Every Wage & Salary Job Created In California Since 1998 Has Been Lost

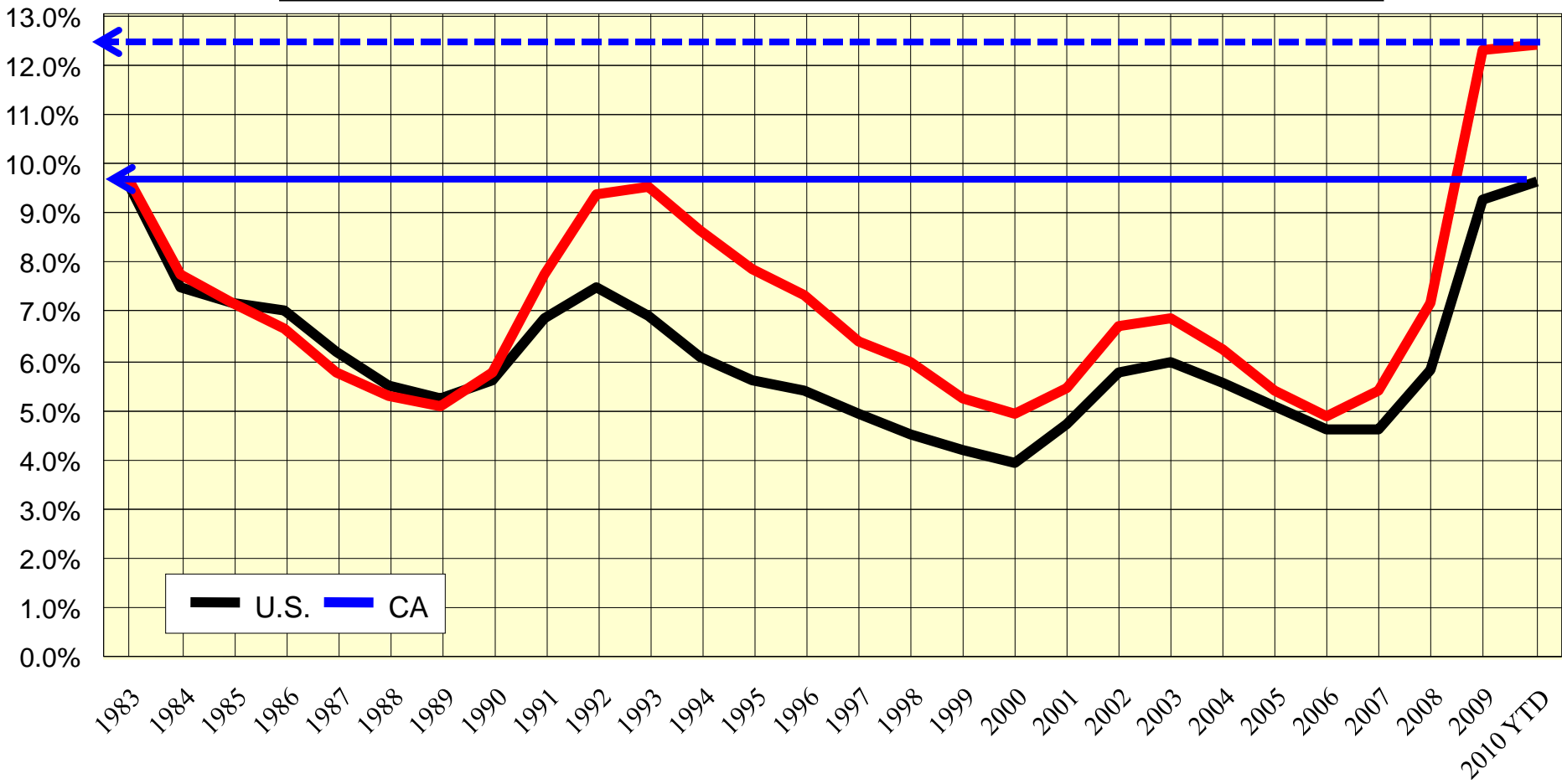
Source: CA Employment Development Department

Blue Collar Inland Empire Was Responsible for 42.3% of California's Job Growth from 2000-2007



Unemployment Has Soared

U.S. & California Unemployment History, 1983-2010

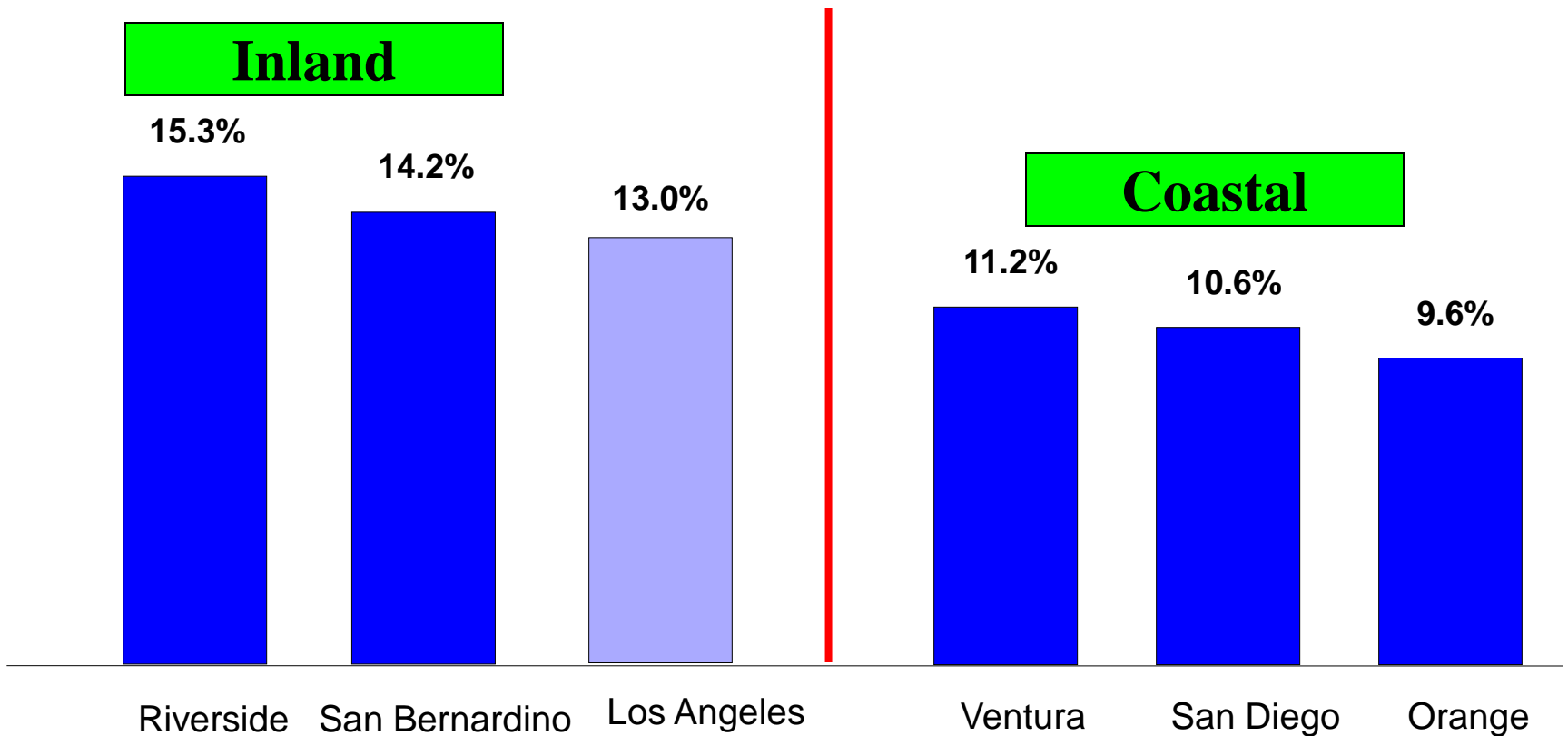


Source: U.S. Bureau of Labor Statistics, CA Employment Development Department

Unemployment Hits Inland Areas

The Hardest: So. California

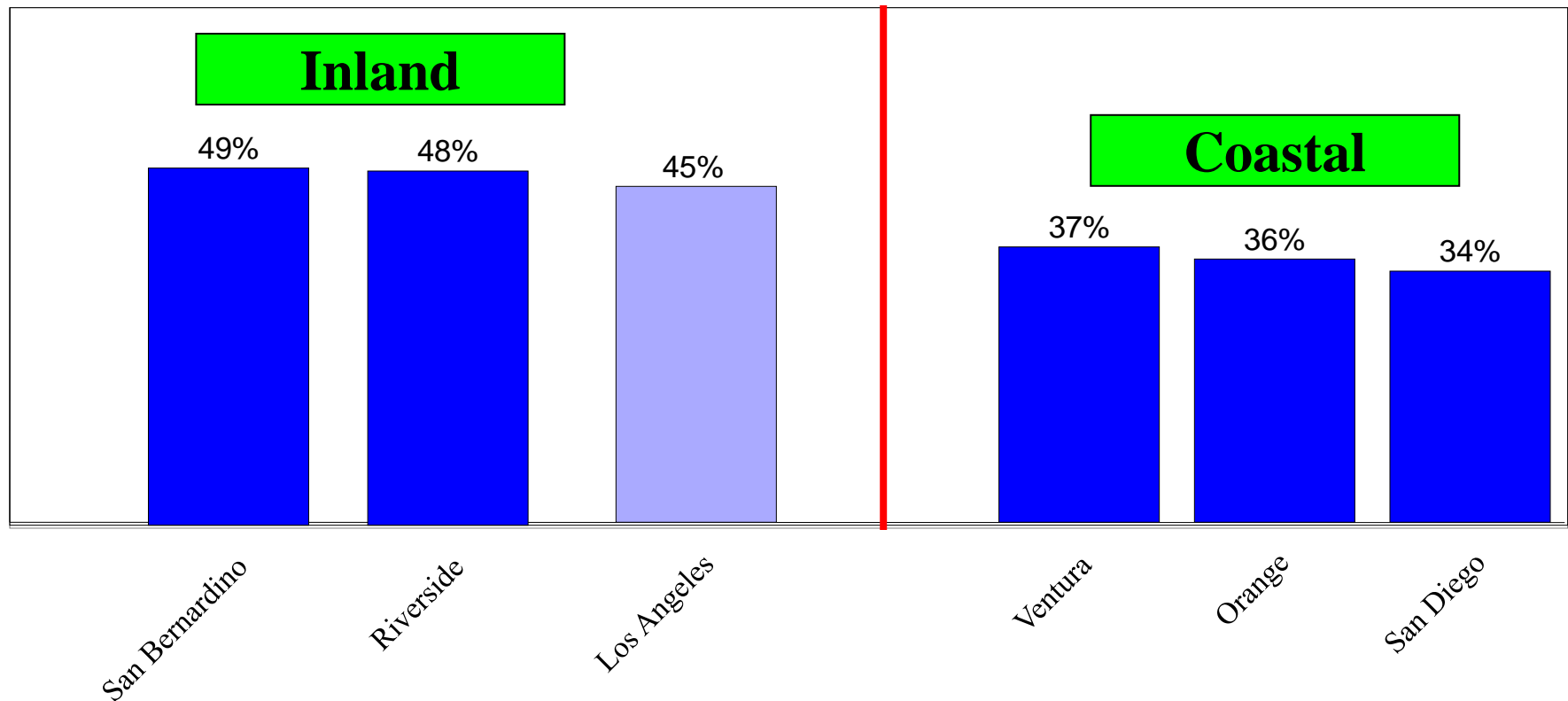
Unemployment Rates, August 2010
Inland vs. Coastal Counties



Source: CA Employment Development Department

Modestly Educated Inland Adults Need Blue Collar Jobs: So. California

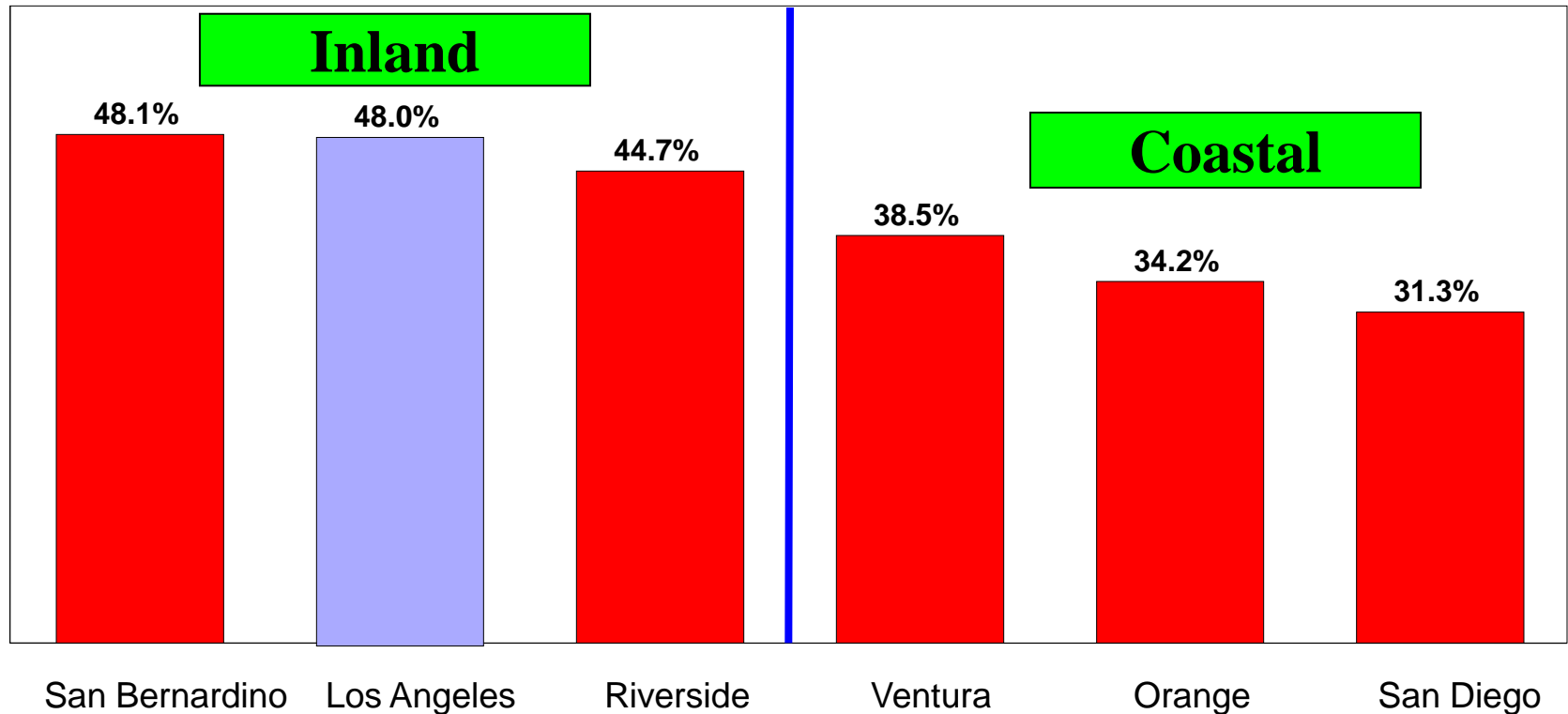
Marginally Educated Adults, Southern California
Percent, 25 & Over, 2008



Source: American Community Survey, 2008

Heavily Hispanic Areas Affected Disproportionately: So. Calif.

Hispanic Share of Population
Southern California Counties, 2009



Source: American Community Survey, 2009

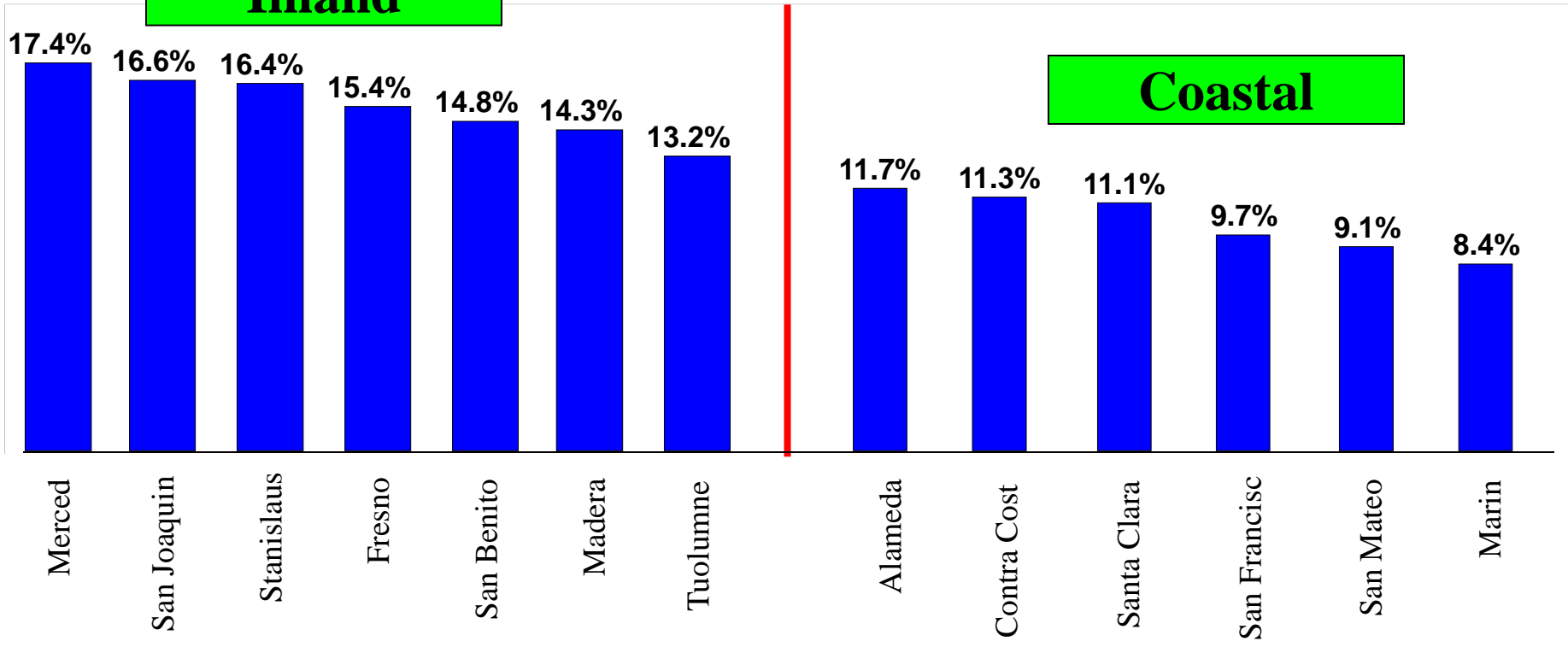
Unemployment Hits Inland Areas

The Hardest: No. California

Unemployment Rates, August 2010
Inland vs. Coastal Counties

Inland

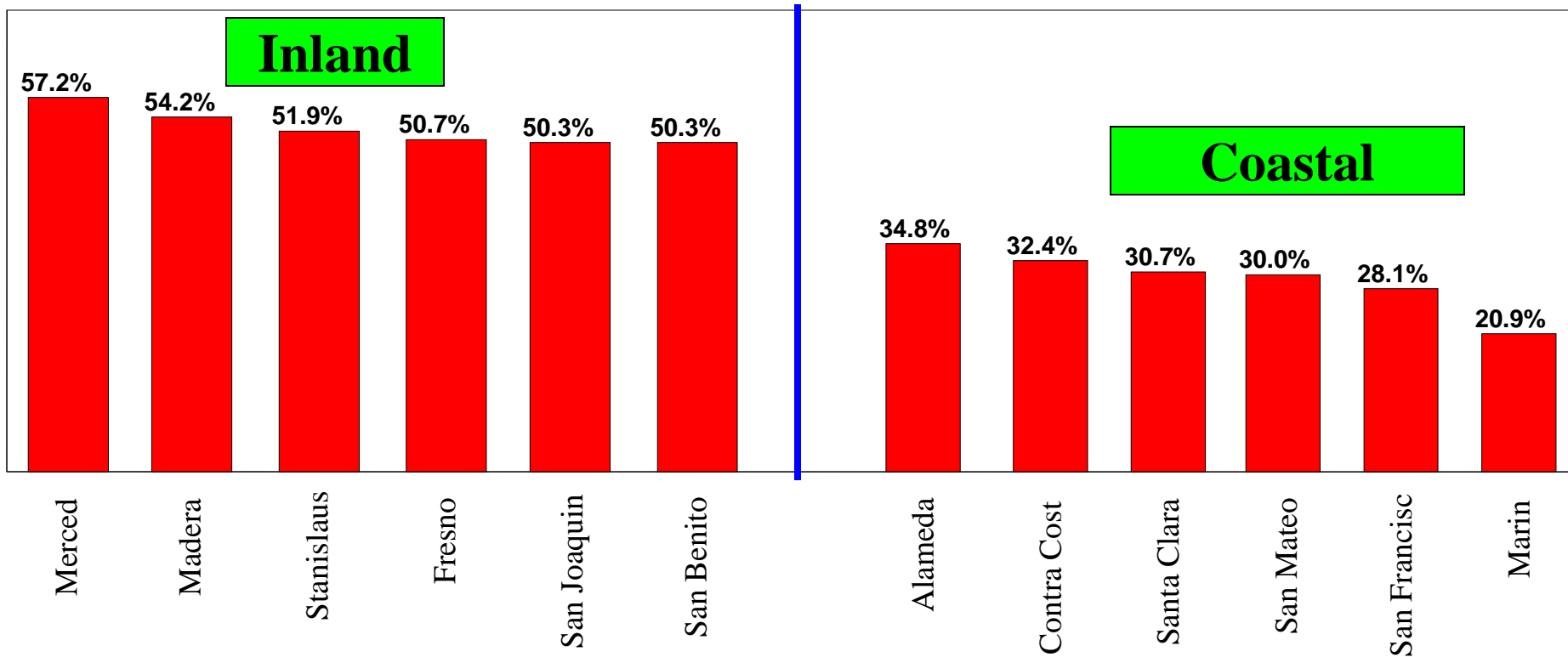
Coastal



Source: CA Employment Development Department

Modestly Educated Inland Adults Need Blue Collar Jobs: No. California

Marginally Educated Adults, Extended Bay Area
Percent 25% & Over, No College Class, 2009

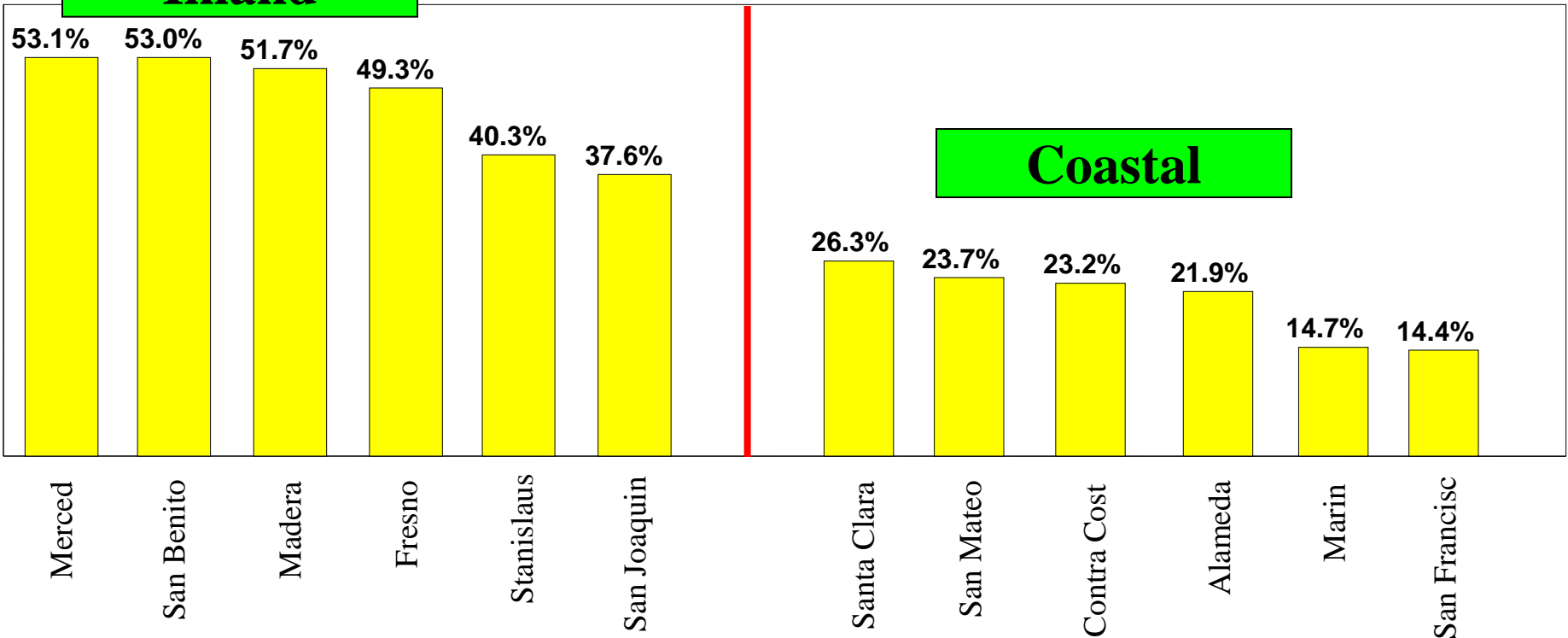


Source: American Community Survey, 2009

Heavily Hispanics Areas Affected Disproportionately: No. Calif.

Hispanic Share of Population
Northern California Counties, 2009

Inland



Coastal

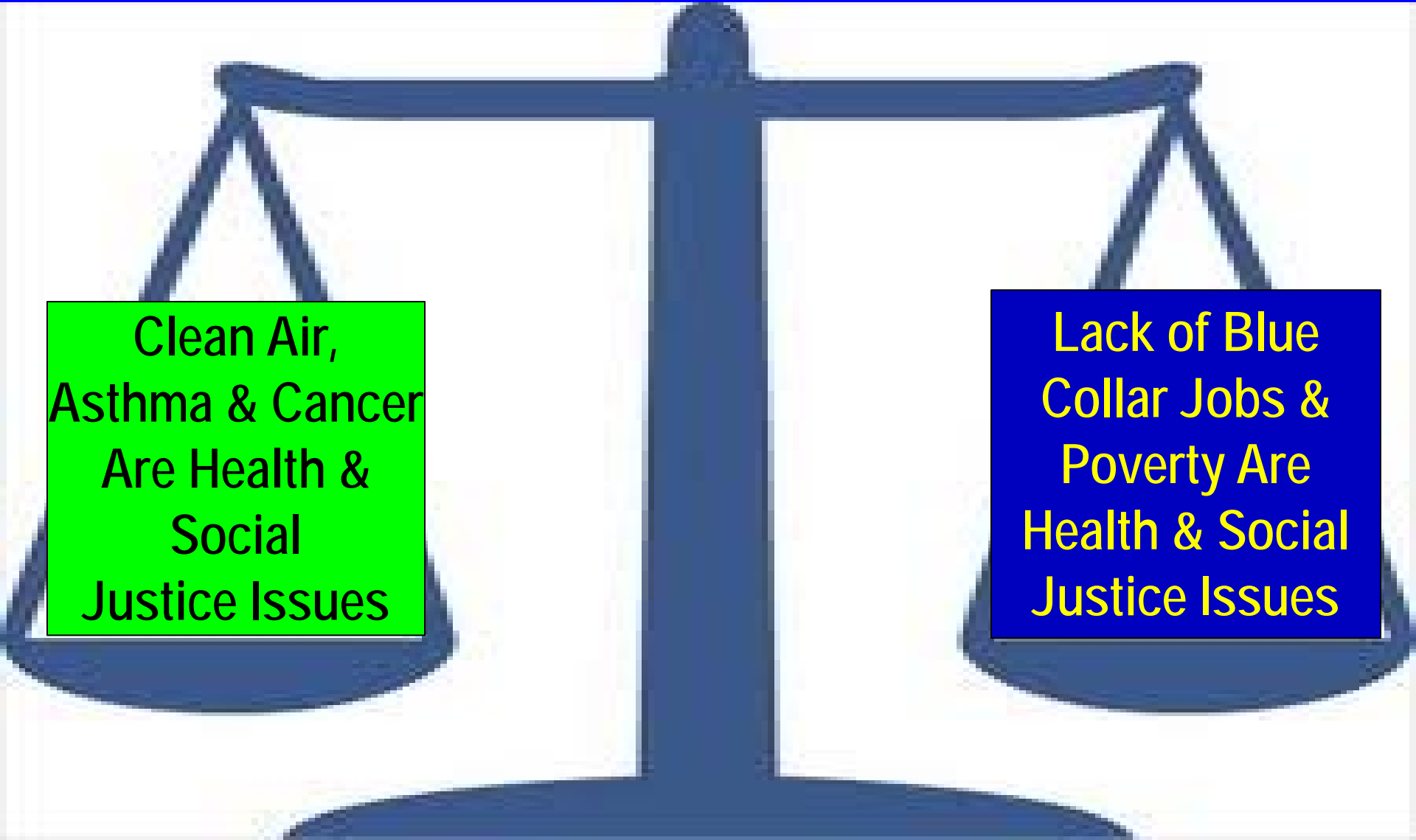
Source: American Community Survey, 2009

Sectors With *Few Educational Barriers* To Entry Level Employment

Mining	(\$96,996)	
Manufacturing	(\$47,933)	} Median
Logistics	(\$46,665)	
Wholesale	(\$43,492)	
Construction	(\$41,453)	
Retail Trade	(\$28,840)	
Gaming	(\$28,385)	
Hotel/Motel	(\$24,019)	
Agriculture	(\$22,793)	
Eating & Drinking	(\$15,132)	

Blue Collar With
Part Time Workers
& Owner – Operator
Drivers

Public Policy Dilemma



Clean Air,
Asthma & Cancer
Are Health &
Social
Justice Issues

Lack of Blue
Collar Jobs &
Poverty Are
Health & Social
Justice Issues

**After Years Of Focus on
Cleaning Up The Environment . . .**

**Blue Collar Job Creation
Has Been CA's Forgotten Need**

Policy Suggestion #1



If We Require New Equipment ... Its Time Regulators
Did Something To Get It Made In California

Otherwise All Investments For Environmental
Clean-Up Are A Net Loss To California's Economy

Policy Suggestion #2

If New Equipment Is Mandated ... Firms Need To Be Given Enough Time To Use It & Amortize Its Cost ... Before Being Required To Install Still Newer Equipment

Otherwise We Continue Raising The Cost of Doing Business In California & Cause Firms To Either Move or Put Their Growth Elsewhere

Policy Suggestion #3



Every Project Requires CEQA Approvals, With Lawsuits Almost Always Filed ... Creation of Courts Specializing In CEQA Would Eliminate The Lengthy Delays This Imposes

Judges Would Not Handle Criminal & Civil Matters & Would Become CEQA Experts. They Would Learn The Bad Actors Skirting The Law Or Using It Only to Delay Projects

Policy Suggestion #4



CA Needs To Fully Embrace Public Private Partnerships To Finance Its Infrastructure

Given Federal & State Budgets Issues, Either We Allow Our Infrastructure To Continue Deteriorating or We Harness The Private Sector To Build Needed Projects

Green Job Difficulties



Tesla



Fisker

Californians Designed Tesla & Fisker ... BUT CA Costs Meant Both Would be Made Elsewhere (*New Mexico & Delaware*)

Special Subsidies Were Used To Bring Tesla Home ... Without Special Help Fisker Went To Delaware

**Without Out Major Changes ... CA Will Create High Paying Design Jobs ... and Low Paying Installation Jobs ...
But Few Green Production Jobs**

Policy Suggestion #5

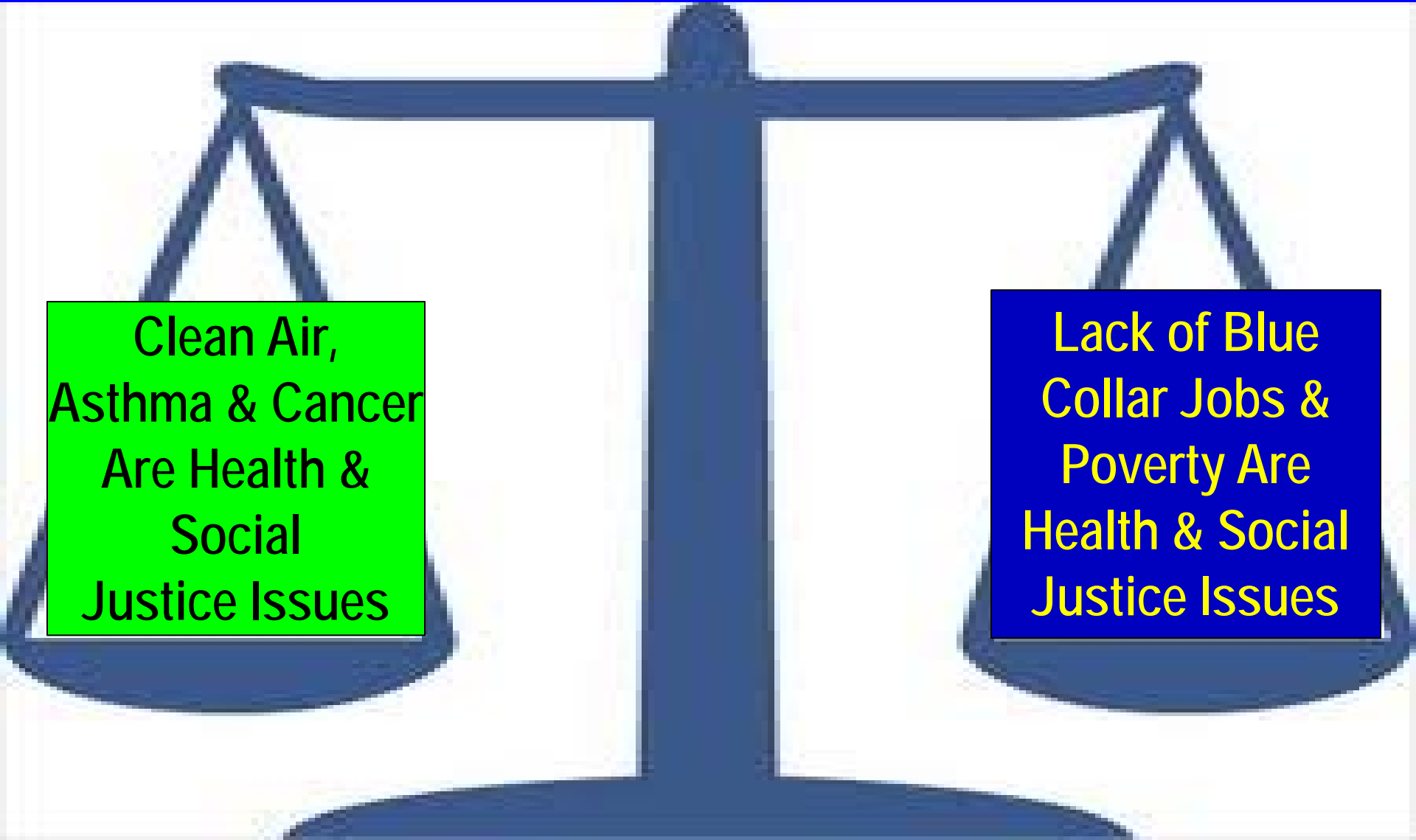


CA Relies Heavily On Command & Control In Its Policies Using Single Issue Regulatory Agencies

They Have No Mandate To Worry About the Job Impacts of Their Actions

If The State Is Seriously Concerned With Job Creation ... There Is A Need For An Independent Counter-Weight With The Power To Analyze, Comment and Modify Decisions

There Is A Need To Balance The Policy Scales



Clean Air,
Asthma & Cancer
Are Health &
Social
Justice Issues

Lack of Blue
Collar Jobs &
Poverty Are
Health & Social
Justice Issues

www.johnhusing.com