





Date: August 13, 2019

To: Honorable Mayor Robert Garcia and Members of the City Council

From: Councilmember Rex Richardson, Ninth District 
Councilmember Jeannine Pearce, Second District 
Vice Mayor Dee Andrews, Sixth District 
Councilmember Roberto Uranga, Seventh District 

Subject: Economic Impact Analysis of Port Automation

RECOMMENDATION:

Request the City Manager to work with the Harbor Department to conduct an Economic Impact Analysis of automation at the Port of Long Beach and report back in 120 days. Furthermore, request the City Council to support Assembly Bill 1321 (Gipson), which gives authority to the State Lands Commission to approve all port automation projects.

Discussion

The activity of goods movement within our sea ports is one of the region's most vital economic engines. In fact, the November 2017 Clean Air Action Plan (CAAP) determined that the Ports of Long Beach and Los Angeles support one million jobs in California and almost three million jobs across the country; however, as vessel sizes grow, and container exchanges increase, many companies are venturing into artificial intelligent capital investments to meet these demands.

Presently, two local terminals, TraPac in the Port of Los Angeles and the Long Beach Container Terminal in the Port of Long Beach, have already implemented automated infrastructure. The new technology is electric, zero emission, and capable of handling more cargo. While we've seen expedient transitions to automated infrastructure in the mining and warehousing industries, U.S. ports have moved at a much slower pace, due to costly investment and labor resistance.

Concerns for the impact of automation on working families, surrounding communities, and the local economy have been raised by the International Longshore Warehouse Union. Similar dialogues have also occurred in forums involving the Los Angeles City Council, the Los Angeles Harbor Commission, the Los Angeles County Board of Supervisors, and in Sacramento with the State legislature. Assembly member Mike Gipson introduced a bill that would give the State Lands Commission authority to approve all port automation projects, considering the potential job losses.

Research forecasts project the transition to fully-automated infrastructure to occur over the next ten years, placing local governments in a critical position to understand the impact that technology will have on the workforce and local economy.

Fiscal Impact

Due to the urgency and time sensitivity of this item, no Financial Management review was able to be conducted.