



EXECUTIVE SUMMARY

The Costs of Freight Transport

Imagine where your DVD player has been. Depending on the brand, it may have been produced in Korea, packaged in China, packed in a shipping container, and freighted across the Pacific Ocean on a ship—and then arrived in Long Beach, where it was unloaded by a crane and placed on a truck, taken to a railyard, then to a distribution center, packed onto another truck, and unpacked at the store, where it landed on a store shelf. The ships, cranes, trucks, trains, distribution centers, and airplanes that move our imports and exports make up a complex system of freight transport in the United States.

In this report we show that pollution from this system of freight transport severely burdens Californians, especially the predominantly low-income people of color living close to freight transport hubs. We present data on the high and often hidden health, economic, and social costs that are not accounted for by the freight transport industry. And we tell the stories of people who live, work, and play near California's freight transport hubs. These Californians write what it feels like to live underneath the shadow of seaport cranes, to wake up each morning to the acrid smell of diesel exhaust, to walk to school amid the rumble of slow-moving trucks, to work in an industry that you know is bad for your health, or to go to bed after a long day of tending to your asthmatic child.

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The good news is that there are solutions to clean up the system of freight transport and improve the health of California residents. The cost of using cleaner equipment and safer technology is a small fraction of the health costs borne by California residents. We demonstrate that there is plenty of money in the freight transport system to clean up the diesel pollution and health impacts that are left in the wake of the ships, trucks, and trains delivering products to store shelves. This finding is encouraging: California can have its freight transport industry while protecting the health of its residents.

Since the amount of goods transported through California is projected to nearly quadruple between 2000 and 2020,¹ now is the time to implement a range of practical measures that can ensure that our neighbors, friends, and families can continue to enjoy the benefits of our vibrant

economy while helping all of us breathe easier and live healthier lives.

Summary of Findings

Over the past year, a coalition of community-based organizations and non-governmental organizations came together to develop a plan to improve health in communities suffering from the pollution of freight transport. We wanted to understand how much it would cost to clean up this system, which players were obtaining the benefits of passing on health costs to Californians, and whether the system of freight transport and its beneficiaries could afford to make the necessary changes to protect the health of Californians. Through our research, we found that:

- Freight transport will cost California residents \$200 billion over the next 15 years in health costs, and most of this is borne by low-income communities of color near freight transport hubs.** The California Air Resources Board (CARB) estimated that freight transport each year causes 2,400 people to die prematurely; 2,830 people to be admitted to the hospital; 360,000 missed workdays; and 1,100,000 missed days of school. The medical and social costs of these impacts are an environmental injustice that affects predominantly low-income communities of color in California.
- Using cleaner equipment and better technology for freight transport will cost just \$6 to \$10 billion over the next 15 years.** CARB estimates that for every dollar invested in cleaning up pollution from freight transport, \$3 to \$8 in health costs will be saved.
- The costs of cleaning up pollution are only a fraction of the benefits derived from the transport of freight.** The good news is that if the major corporations benefiting from freight transport through California paid less than a penny for every dollar in revenue, we could clean up the system of freight transport in California. In fact, cleaning up freight transport in California would cost less than a penny for every dollar in estimated California-dependent revenue made by Wal-Mart alone.

- There is a range of exciting and effective solutions that can ensure that the health of Californians is protected while freight continues to be moved.** Examples include ensuring that companies internalize the costs of doing business, focusing emissions reductions on the most-impacted communities, and involving communities in decision-making around freight transport expansion.

Consider your globe-trotting DVD player: A few cents of its \$100 price tag could lessen the impacts on millions. California could lift the burden off its communities and continue to have a thriving freight transport industry. With exponential growth expected in this industry, it is time for California to do right by its residents.

Figure ES1: Comparison of Estimated California-Dependent Revenue to Health Mitigation Costs

