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**SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT**  
**Senator Lola Smallwood-Cuevas, Chair**  
**2025 - 2026 Regular**

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<b>Bill No:</b>	SB 826	<b>Hearing Date:</b>	April 30, 2025
<b>Author:</b>	Richardson		
<b>Version:</b>	February 21, 2025		
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Emma Bruce		

**SUBJECT:** California Workforce Development Board: port automation

**KEY ISSUE**

This bill directs the Labor Workforce and Development Agency (LWDA) and the California Workforce Development Board (CWDB) to oversee a stakeholder process to develop recommendations on how to address the national security, cybersecurity, workforce, and economic impacts of automation at California seaports. This bill also authorizes the CWDB to contract with the UCLA Labor Center to commission research to supplement the stakeholder process.

**ANALYSIS**

**Existing law:**

- 1) Establishes the Labor Workforce and Development Agency (LWDA) under the supervision of an executive officer known as the Secretary. (Government Code §15551)
- 2) Tasks the LWDA with serving California workers and businesses by improving access to employment and training programs; enforcing California labor laws to protect workers and create an even playing field for employers; and administering benefits that include workers' compensation, unemployment insurance, disability insurance, and paid family leave. (Government Code §15550 et seq.)
- 3) Establishes the California Workforce Development Board (CWDB), under the LWDA, as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce system, including its alignment to the needs of the economy and the workforce. (Unemployment Insurance Code §14010 et seq.)
- 4) Provides that members of the CWDB are appointed by the Governor and are representative of the areas of business, labor, public education, higher education, economic development, youth activities, employment and training, as well as the Legislature (Unemployment Insurance Code §14011)

**This bill:**

- 1) Finds and declares that seaports have increasingly come to rely on automated forms of information and operational technology. This digital dependence introduces vulnerabilities that, in the event of a cyberattack, could cause severe consequences and long-term damage. Further, the use of such automated technology leads to negative workforce and economic impacts.

- 2) Provides that these provisions shall be implemented only upon appropriation by the Legislature for the express purposes of these provisions.
- 3) Directs the LWDA and the CWDB to oversee a stakeholder process to support the development of findings and recommendations on how to best mitigate the national security, cybersecurity, workforce, and economic impacts of automation at California seaports.
- 4) Creates an industry panel within the LWDA to help inform the stakeholder process.
- 5) Requires the industry panel to consist of the following members:
  - a. Fifteen members appointed by the Secretary of the LWDA as follows:
    - i. Six members from employee unions that represent marine cargo handlers at the Port of Los Angeles, the Port of Long Beach, and the Port of Oakland.
    - ii. Six members who are representatives of marine cargo employers operating at the Port of Los Angeles, the Port of Long Beach, and the Port of Oakland.
    - iii. The Executive Director of the Port of Los Angeles or the executive director's designee.
    - iv. The Executive Director of the Port of Long Beach or the executive director's designee.
    - v. The Executive Director of the Port of Oakland or the executive director's designee.
  - b. One member appointed by the Speaker of the Assembly with experience in national security, cybersecurity, workforce development, and seaports.
  - c. One member appointed by the Senate Committee on Rules with experience in national security, cybersecurity, workforce development, and seaports.
- 6) Provides that each members shall be appointed to a term of three years.
- 7) Provides that a member who fails to attend two industry panel meetings in one calendar year shall be deemed removed from the industry panel, and the appointing power for that member shall appoint a new member to fill the vacancy.
- 8) Prohibits industry panel members from receiving per diem or other similar compensation for serving as an industry panel member.
- 9) Requires the industry panel to invite stakeholders and subject matter experts to participate in the stakeholder process, including port districts, public agencies, labor organizations, shipping companies, marine-oriented trade associations, nonprofit organizations, and workforce development, economic, national security, and cybersecurity entities.
- 10) Provides that as appropriate, the costs of the industry panel and the stakeholder process may be reduced by in-kind or other contributions from third parties.
- 11) Provides that during the process, representatives from the LWDA and the CWDB and members of the industry panel shall consider issues, including, but not limited to, national security and cybersecurity vulnerabilities that result from the use of automated technology at seaports, associated economic consequences, including, but not limited to, workforce and economic impacts that result from the use of automated technology at seaports, short and long-term damage, and recommendations to reduce these risks to seaports.

- 12) Authorizes the CWDB to contract with the University of California, Los Angeles (UCLA) Labor Center to commission expert research and testimony to supplement the stakeholder process and support the development of findings and recommendations pursuant to these provisions.
- 13) Requires the first meeting of the stakeholder process to be held on or before 90 days after the funding becomes available for the purposes of these provisions. After the first meeting, the meetings of the stakeholder process shall be held no less than monthly in person or by video conference.
- 14) Requires the industry panel to provide an annual update of the stakeholder process at a regularly scheduled meeting of the CWDB.
- 15) Requires, upon completion of the stakeholder process, but by no later than July 1, 2027, the LWDA and CWDB to issue findings and recommendations on the most effective ways to limit the national security cybersecurity vulnerabilities, workforce and economic impacts, and risks to seaports.
- 16) Requires, on or before December 31, 2027, the CWDB to present at a hearing of the Joint Legislative Committee on Climate Change Policies the findings and recommendations of the report.
- 17) Provides that these provisions shall only remain in effect only until January 1, 2029, and as of that date are repealed.

## COMMENTS

### 1. Background:

#### Ports

Ports are facilities where goods are loaded and unloaded from ships, as well as where goods are processed and prepared for further distribution to retailers and consumers. California has 12 ports, through which large volumes of goods are both imported and exported internationally. These ports vary in size, operations, and finances, but combined, they process about 40 percent of all containerized imports and 30 percent of all exports in the United States. The two largest ports in the nation, the Port of Los Angeles and the Port of Long Beach, are also located within the state.<sup>1</sup> Together, the two ports are referred to as the San Pedro Bay Port Complex.

#### AB 639 (Cervantes, Chapter 116, Statutes of 2020)

In 2020, the Legislature passed AB 639 (Cervantes), which directed the LWDA and the CWDB to oversee a stakeholder process to support the development of findings and recommendations on how to best mitigate the employment impacts of automation at the Port of Los Angeles and the Port of Long Beach. To support the stakeholder process, an industry panel composed of ten members was temporarily created within the LWDA. The CWDB was also authorized to commission expert research and testimony from the UCLA Labor Center.

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<sup>1</sup> Eunice Roh, "Overview of California Ports," LAO, August 23, 2022, <https://lao.ca.gov/Publications/Report/4618>

The LWDA and CWDB were required to issue their findings on or before July 1, 2023. AB 639's provisions were repealed on January 1, 2024.

Over the course of eighteen months, the industry panel convened six times. Among other industry experts, representatives of the International Longshore and Warehouse Union, the Pacific Maritime Association, and the Long Beach and Los Angeles Port authorities, participated in the process. In January 2024, the UCLA Labor Center published a report, *Automation and the Future of Dockwork at the San Pedro Bay Port Complex*, based on expert research and testimony gathered over the course of AB 639's stakeholder process.<sup>2</sup> The report detailed the pressing issues facing the San Pedro Bay Port Complex as well as six recommendations to address those issues. One of the recommendations was to commission further research into key topics identified by industry stakeholders. SB 826 builds upon the work done by AB 639.

SB 826 would task the LWDA and the CWDB with overseeing a stakeholder process to develop recommendations on how to address the national security, cybersecurity, workforce, and economic impacts of automation at California seaports. The industry panel established under this bill would be expanded to seventeen members. Additionally, the panel would focus on all California Sea Ports, not just the San Pedro Bay Port Complex. The LWDA and the CWDB would be required to issue their findings and recommendations by July 1, 2027. Additionally, the CWDB would be required, on or before December 31, 2027, to present the findings and recommendation at a hearing of the Joint Legislative Committee on Climate Change Policies.

## 2. Need for this bill?

According to the author:

“Senate Bill 826 requires The Labor and Workforce Development Agency and the California Workforce Development Board to oversee a stakeholder process to support the development of findings and recommendations on how to best mitigate the national security, cybersecurity, workforce, and economic impacts of automation at California seaports.”

## 3. Proponent Arguments:

The sponsors of the measure, the International Longshore and Warehouse Union, Locals 13, 63, and 94, argue:

“California’s ports, including the Ports of Los Angeles, Long Beach, and Oakland, are vital economic hubs. The Ports of Los Angeles and Long Beach alone sustain nearly 1 million jobs in Southern California, contribute over \$48.47 billion in total economic output, and support \$2.7 billion dollars in state and local tax revenue. The Port of Oakland generates nearly 100,000 local jobs. California’s seaports have increasingly come to rely on automated forms of information and operational technology. This digital dependence introduces vulnerabilities that, in the event of a cyberattack, could cause severe consequences and long-term damage. Further, the use of such automated technology leads to negative workforce and economic impacts.

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<sup>2</sup> UCLA Labor Center, “Automation and the Future of Dockwork at the San Pedro Bay Port Complex,” January 2024, <https://bit.ly/ADSP>

In 2020, lawmakers passed AB 639 (Cervantes), which required the Labor and Workforce Development Agency and the California Workforce Development Board to oversee a stakeholder process to develop recommendations on how best to mitigate the employment impacts of automation at the Port of Los Angeles and the Port of Long Beach. However, this process and resulting recommendations did not consider all of California's seaports, nor the national security and cybersecurity impacts of automation. In addition, current law does not address the national security and cybersecurity vulnerabilities that result from the use of automated technology at seaports, nor the associated economic consequences. Worryingly, California's seaports are tempting targets due to their unique position and function within the supply chain. Such a security breach would have drastic consequences for local communities, the State and the Country, be catastrophic to the supply chain, and endanger the lives of the workforce...

We are appreciative that SB 826 requires the Labor and Workforce Development Agency and the California Workforce Development Board to oversee a stakeholder process to support the development of findings and recommendations on how to best mitigate the national security, cybersecurity, workforce, and economic impacts of automation at California seaports."

#### **4. Opponent Arguments:**

None received.

#### **5. Prior Legislation:**

SB 703 (Richardson, 2025) would address employee misclassification in the port drayage industry by 1) requiring trucking companies and truck drivers to provide specified information to the Port of Long Beach, the Port of Los Angeles, and the Port of Oakland before entering; 2) requiring the ports to post specified information on their website; 3) requiring the ports to provide information to the Labor Commissioner monthly on each truck that enters the port; and 4) imposing a \$100,000 civil penalty on a person who provides false or misleading information for purposes of complying with these provisions. *SB 703 is pending hearing in the Senate Labor, Public Employment and Retirement Committee.*

AB 639 (Cervantes, Chapter 116, Statutes of 2020) was nearly identical to SB 826 and directed the LWDA and the CWDB to oversee a stakeholder process to support the development of findings and recommendations on how to best mitigate the employment impacts of automation at the Port of Los Angeles and the Port of Long Beach.

### **SUPPORT**

International Longshore and Warehouse Union, Local 13 (Co-sponsor)  
International Longshore and Warehouse Union, Local 63 (Co-sponsor)  
International Longshore and Warehouse Union, Local 94 (Co-sponsor)

### **OPPOSITION**

None received.

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