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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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### **SB 826 (Richardson) - California Workforce Development Board: port automation**

**Version:** February 21, 2025

**Urgency:** No

**Hearing Date:** May 12, 2025

**Policy Vote:** L., P.E. & R. 4 - 0

**Mandate:** No

**Consultant:** Robert Ingenito

**Bill Summary:** SB 826 would (1) direct 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, and (2) authorize CWDB to contract with the UCLA Labor Center to commission research to supplement the stakeholder process.

**Fiscal Impact:** CWDB indicates that it would incur an annual General Fund cost pressure of \$504,000 through 2027-28 to implement the provisions of the bill. If CWDB contracts with the UCLA Labor Center, the bill would result in an additional one-time cost pressure of 750,000 (General Fund).

**Background:** Ports are facilities where goods are (1) loaded and unloaded from ships, and (2) processed and prepared for further distribution to retailers and consumers. California has 12 ports, which vary in size, operations, and finances. Overall, they process 40 percent of all containerized imports and 30 percent of all exports in the United States. The State is home to the two largest ports in the nation, the Port of Los Angeles and the Port of Long Beach. Together, the two ports are referred to as the San Pedro Bay Port Complex.

In 2020, the Legislature passed AB 639 (Cervantes), which directed LWDA and 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 LWDA. CWDB was also authorized to commission expert research and testimony from the UCLA Labor Center. The LWDA and CWDB were required to issue their findings on or before July 1, 2023.

Over 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. 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.

**Proposed Law:** This bill, upon an appropriation, would among other things do the following:

- Direct LWDA and 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.
- Create an industry panel, as specified, within LWDA to help inform the stakeholder process.
- Prohibit industry panel members from receiving per diem or other similar compensation for serving as an industry panel member.
- Require 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.
- Provide 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.
- Provide that during the process, representatives from LWDA and 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.
- Authorize CWDB to contract with the 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.
- Require the industry panel to provide an annual update of the stakeholder process at a regularly scheduled meeting of CWDB.
- Require, upon completion of the stakeholder process, but by no later than July 1, 2027, 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.
- Require, 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.

**Related Legislation:**

- SB 703 (Richardson) 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. The bill is currently 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.

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