

# The Goods Movement Crisis Checks All the Boxes: It's Time to Formally Declare an Emergency

The goods movement sector is a 'system of systems,' affecting every aspect of our economy and way of life. Now, we're in a 'crisis of crises.'

## It's time for Governor Gavin Newsom to Formally Declare a State of Emergency



**An Affordability and Equity Crisis.** Basic necessities from paper goods, diapers, medical supplies, household goods and clothing are sitting in cargo ships. The supply shortage is a **de facto regressive tax** on those who can least afford it. Working families living paycheck-to-paycheck can't afford to stockpile goods, and shortages will drive up costs now and in the months ahead.



**An Environmental Crisis.** California businesses have spent hundreds of millions of dollars reducing emissions from idling trucks and ships. Now, we have more than 100 ships off shore, idling for weeks, creating a floating warehouse along the southern California coast.



**An Energy Crisis.** China dominates the green energy space, manufacturing most of the nation's solar panels and electric car battery components. Building solar facilities needed to keep the lights on in California, ramping up ZEV sales ahead of the governor's mandate, and new homes that have mandatory solar panels are all being impacted by supply chain delays.



**An Export Crisis.** In 2019, California businesses exported \$174 billion worth of goods manufactured in our state. That same year, the state's ports were responsible for moving more than \$204 billion in total exports from all businesses nationwide, including businesses in California. With exports stalled as well, manufacturers are dealing with both a component part crisis and an export crisis.



**A Housing Crisis.** The lumber and other construction material shortages earlier this year were just the beginning. New homes cannot be completed because garage doors, windows, appliances, and other components are sitting offshore increasing the cost of already sky-high housing prices. Infrastructure costs are rising as shipments of steel, concrete, and electrical and mechanical parts are delayed.



**A Small Business Crisis.** Small businesses throughout the state are already raising alarm bells that their shelves may be empty in the coming months. While the crisis affects more than just holiday shopping, for many small businesses, the holiday shopping season—especially after the prolonged economic shutdown—generates the cash flow critical to their survival for another year.



**A Food Crisis.** It's not just imports that are affected; California farmers and ranchers feed the country and the world. California-grown products are sitting at the ports, waiting to be exported to markets across the globe. Buyers in Japan and South Korea are already looking to countries like Turkey and Iran to fulfill California contracts.



**A Jobs Crisis.** California and the nation are already struggling with a labor shortage, but California regulations could make the crisis even worse at the worst possible time. AB 5, which regulates independent contractors, is having a major impact driver availability now, but should the injunction be lifted by the courts, we could **lose another 70,000 drivers by the end of the year.**



**A Manufacturing Crisis.** Component parts needed to support California's diverse manufacturing sector are sitting offshore. California manufacturers—and manufacturers across the country—are struggling to keep up with demand or telling customers that they will not be able to fulfill orders. Everything from glass for bottling to computer chips in new cars are being impacted by the goods movement crisis.



**An Ecological Crisis.** It is increasingly likely that an idling ship anchor caused the oil spill that came ashore at Huntington Beach. There are more than 100 ships anchored or loitering offshore. Each poses a risk to the pipelines running on the sea floor below them.

California leads our national economy. It's time to lead on solutions to this crisis.  
**Call the governor and your local legislators and tell them to declare an emergency and meet the crisis head-on.**

## **About the Goods Movement Alliance**

The Goods Movement Alliance is a coalition of state, regional and local business and industry groups representing every aspect of the supply chain economy. The Alliance was formed to directly address the short, mid and long-term crisis in the California goods movement economy, advocate for solutions and create a stronger, more resilient supply chain both now and in the future.