



Office of Governor
GAVIN NEWSOM

Governor Newsom Signs Executive Order to Help Tackle Supply Chain Issues

Published: Oct 20, 2021

Formalizes state agencies' partnership with the Biden-Harris Administration's efforts to address state, national and global supply chain challenges

Directs state agencies to develop longer-term proposals that support port operations and goods movement for consideration in the January 10 Governor's Budget

SACRAMENTO – Amid global disruptions to the goods movement supply chain, Governor Gavin Newsom today signed an executive order directing state agencies to identify additional ways to alleviate congestion at California ports. The executive order builds on earlier efforts this year by the Governor's Office of Business and Economic Development (GO-Biz) to ease supply chain issues by engaging the diverse network of stakeholders along the supply chain to discuss key challenges and identify short-term and long-term solutions. Record demand for imported goods combined with capacity issues across the entire supply chain have slowed distribution at ports on the California coast.

"California's ports are critical to our local, state and national economies and the state is taking action to support goods movement in the face of global disruptions," said Governor Newsom. "My administration will continue to work with federal, state, labor and industry partners on innovative solutions to tackle immediate challenges while also bringing our distribution processes into the 21st century."

Today's executive order directs state agencies to continue coordinating with the Biden-Harris Administration Supply Chain Disruptions Task Force to address state, national and global supply chain challenges. The executive order also directs the Department of Finance to work with state agencies to develop longer-term solutions that support port operations and goods movement for consideration in the January 10 Governor's Budget, which may include port and transportation infrastructure improvements, electrification of the goods movement system from port to delivery, and workforce development.

Additionally, today's executive order directs state agencies to identify state-owned properties and other locations that could be available to address short-term storage needs once goods are unloaded from ships; to identify priority freight routes to be considered for a temporary exemption to current gross vehicle limits to allow for trucks to carry additional goods; and to create workforce training and education programs. AB 639's (Cervantes, 2020) implementation is also expedited through this executive order.

Earlier this year, GO-Biz launched the California Supply Chain Success Initiative, a partnership with the California State Transportation Agency, the Port of Long Beach, and the CSU Long Beach Center for International Trade and Transportation to engage the diverse network of stakeholders along the supply chain to discuss key challenges and identify creative solutions. This effort, which brought together federal, state and local leaders, is focused on both short-term and long-term steps to address port congestion, including implementing a new 24/7 environment across the supply chain, a move the state worked with the Biden-Harris Administration on, improving collaboration, and exploring policies to remove obstacles and improve the movement of goods.

A copy of the executive order signed today can be found [here](#).

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EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-19-21

WHEREAS the world is experiencing global disruptions to the goods movement supply chain, which have been exacerbated by changes in the practices of numerous industry sectors during the COVID-19 pandemic and by changes in consumer demand during the ensuing economic recovery; and

WHEREAS California is the Nation's preeminent global goods movement gateway: The Ports of Los Angeles and Long Beach move roughly 35 percent of all containers in the United States (U.S.) and approximately 40 percent of U.S. imports and 25 percent of U.S. exports pass through the San Pedro Bay; and

WHEREAS California's nationally significant regional supply chains and goods movement networks have also felt the impact of global disruptions as reflected by dozens of ships waiting to enter San Pedro Bay ports, shipping container dwell times and street dwell times for container chassis more than double the normal average, and bottlenecks further downstream in the supply chain such as warehouses; and

WHEREAS while goods movement and supply chain management challenges are largely within the purview of the federal government and industry, the state can take action to reduce the congestion in California's ports to ensure people in California and across the country and world can access goods and supplies; and

WHEREAS the State has near- and long-term actions under way, in partnership with the Supply Chain Disruptions Task Force established by the Biden-Harris Administration – to strengthen the resilience of California's and the Nation's supply chain; and

WHEREAS the Governor's Office of Business and Economic Development and the California State Transportation Agency launched the California Supply Chain Success Initiative in August 2021 - a partnership with the Port of Long Beach and the California State University, Long Beach Center for International Trade and Transportation - to engage the diverse network of stakeholders along the supply chain to discuss key challenges and identify creative solutions; and

WHEREAS the Governor's Office of Business and Economic Development, the California State Transportation Agency, the California Department of Food and Agriculture, and the California Labor and Workforce Development Agency are crafting and driving solutions focused on key issues impacting the supply chain including, but not limited to, workforce and job training, data and technology, port and truck operations, infrastructure, and warehousing; and

WHEREAS the State has bolstered near-term solutions with longer-term investments, including \$250 million to help ports offset COVID-19 related losses; \$280 million for port infrastructure projects at and around the Port of Oakland; and \$1.3 billion over three years for zero-emission trucks, transit buses and school buses, including the deployment of over 1,000 zero-emission port drayage trucks; and

WHEREAS state agencies own parcels of land throughout the state, some of which exceed those agencies' foreseeable needs, and are frequently used to support broad public benefits and alleviate state-wide challenges such as housing crisis efforts, natural disasters, and health emergencies; and

WHEREAS the movement of goods and health of supply and distribution chains across California is a matter of vital statewide importance; and

WHEREAS the Governor's Office of Business and Economic Development has engaged with the ports and industry to determine space requirements and other specifications to screen properties for potential offsite container storage; and

WHEREAS California's port workers and other essential workers throughout the supply chain, including longshore workers, marine clerks, truck drivers and warehouse workers, have made unprecedented efforts to process and transport record cargo volumes throughout the crisis; and

WHEREAS California is committed to fostering high road training partnerships that harness worker and employer voices to develop industry-based training programs that deliver job equity, sustainability, and quality while tackling urgent questions of income inequality, economic competitiveness, and climate change; and

WHEREAS I signed AB 639 in September 2020, which requires the California Labor and Workforce Development Agency and the California Workforce Development Board to convene stakeholders to develop recommendations on how best to mitigate the employment impacts of automation and transitioning to a lower carbon economy at the Port of Los Angeles and the Port of Long Beach; and

WHEREAS this fiscal year's budget funds the industry panel AB 639 established to consider such impacts; and

WHEREAS the State's comprehensive response can be further accelerated and bolstered with concerted interagency and intergovernmental action, as well as investment to strengthen our transportation system and support improved goods movement.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, by virtue of the power and authority vested in me by the Constitution and statutes of the State of California, do hereby issue this Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

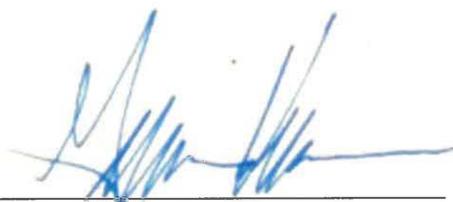
1. The Department of Transportation, in partnership with the California State Transportation Agency, within 30 days of this Order, shall, in collaboration with industry stakeholders, evaluate and identify priority freight routes to be considered for a temporary exemption to current gross vehicle weight limits.
2. The Governor's Office of Business and Economic Development shall identify non-state sites, including private, locally owned, and federally owned parcels, that could be available to address short-term storage needs to address the supply and distribution chain crisis.

3. The Department of General Services shall complete its review of state-owned property in proximity to impacted ports that may be made available to address short-term storage needs to address the supply and distribution chain crisis by no later than December 15, 2021. To meet this deadline, all agencies under my direct executive authority shall support this effort by timely responding to all inquiries made by the Department of General Services.
4. The Department of General Services shall collaborate with other state agencies to expedite leasing for the purpose of storing cargo containers on state-owned parcels identified pursuant to the Department of General Services' review.
5. The California Labor and Workforce Development Agency shall use existing resources to identify potential high road training partnerships to increase education, career technical education, job training, and workforce development opportunities for port workers and other workers across the supply chain. In identifying such opportunities, the California Labor and Workforce Development Agency shall first consider whether such partnerships can be funded through existing sources, such as the federal Workforce Innovation and Opportunity Act.
6. By December 31, 2021, the California Labor and Workforce Development Agency shall take all necessary actions to constitute and announce the membership of the industry panel required by AB 639 and codified at Government Code section 12893.1 (a). The Secretary of Labor shall convene the panel for its first meeting by March 1, 2022.
7. The Department of Finance shall work with state agencies and departments to develop longer term proposals that support port operations and goods movement for consideration in the January 10 Governor's Budget. Proposals may include port and transportation infrastructure improvements, electrification of the goods movement system from port to delivery, workforce development, and other actions to support goods movement.
8. The Department of General Services, California Department of Food and Agriculture, the Governor's Office of Business and Economic Development, California State Transportation Agency, Department of Transportation, and the California Labor and Workforce Development Agency shall use all existing legal and financial authority to expedite and prioritize these activities, including by giving them preference in the award of state funding, pursuant to my further direction. Agencies not under my direct executive authority are requested to do the same.
9. The California State Transportation Agency, the California Department of Food and Agriculture, the Governor's Office of Business and Economic Development, and the California Labor and Workforce Development Agency shall continue to execute actions in coordination with the Biden-Harris Administration Supply Chain Disruptions Task Force.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 20th day of October 2021.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State