DIRTY DEAL:
How The Port Authority’s Backroom Deal with Amazon Would Harm Black and Brown Communities in Newark
Amazon’s plans to rapidly expand its global air operations got a jumpstart in August, when the Port Authority Board voted unanimously to allow Amazon to lease a massive 23-acre site at Newark Liberty Airport.

The unaccountable Port Authority Board is trying to sneak this $432 million deal through without community input or adequate community benefits. This deal would hurt New Jersey communities by displacing union jobs, exacerbating environmental injustice, and further burdening the working class Black and Latinx communities that surround the Newark airport.

More broadly, this deal would solidify Amazon's growing dominance on the East Coast, and presence across the country, just as Congress is debating ways to reign in Amazon's monopoly power. New Jersey Senator Cory Booker himself has led the charge against Amazon and other companies' bad practices, arguing "we need to use every antitrust remedy—including breaking up firms—to protect consumers, competition and our democracy."

Since news of the impending deal broke, the Port Authority Board has faced fierce public opposition. Community groups have launched a coordinated effort to stop the Amazon deal from going through, insisting the deal must be stopped to ensure clean air, good jobs, and broad-based economic prosperity in New Jersey. The lease has not yet been signed and there is still an opportunity between now and early November to stop the deal and give community members a chance for real input.

The Port Authority Board must listen to the public outrage over this deal, and put the needs of local New Jersey communities before Amazon's relentless global expansion and profit seeking behavior.
A BAD DEAL FOR NEW JERSEY

On August 5, 2021, the Port Authority Board of New York and New Jersey—which operates and has authority over Newark International Airport—voted unanimously to enter into a lease agreement with Amazon Global Air. Under the deal Amazon would lease two buildings at Newark Liberty Airport. Amazon plans to transform the site into a massive 250,000 square feet air cargo facility as part of its rapid expansions—the new site will serve as its East Coast regional hub. The 20-year lease for the site is slated to begin November 1, 2021, with an option to extend for an additional five years. Amazon would pay the Port Authority $150 million in rent for the two buildings, approximately $157 million in land rent during the terms of the lease, and invest an estimated $125 million in capital investments to redevelop the two existing cargo facilities. While Amazon is paying to lease the buildings and surrounding land at Newark airport, it will draw heavily on the surrounding infrastructure, including roads, bridges, and runways all paid for by New Jersey taxpayers. This latest agreement is a part of Amazon's growing dominance in air transportation as the company seeks to rely less on heavily unionized competitors, like UPS and US Postal service, for its package deliveries.

THE PORT AUTHORITY BOARD OVERSAW A SHADOWY, FAST-TRACKED PROCESS THAT WAS UNACCOUNTABLE TO NEW JERSEY’S COMMUNITIES

The Port Authority Board used a fast-tracked process to approve the Amazon deal that involved no discussion. No public comments or testimonies were given on the proposed Amazon deal, and board chairman Kevin O’Toole noted himself during the meeting that none of the public statements made that day pertained to items being voted on by the board. In fact, the Amazon vote was intentionally at the end of the agenda. Earlier that day the Committee on Operations gave an overview of the Amazon proposal but advanced the deal to the full board for approval, again without discussion, objections, or public input. The Port Authority Board likely violated its Open Meetings Policy, and transparency resolution, by failing to include the Amazon deal on its initial public agenda and by not allowing any public comments pertaining to the Amazon deal before going on to approve it.

THIS PROPOSED DEAL IS JUST THE LATEST MOVE IN AMAZON’S RAPID EXPANSION THROUGHOUT NEW JERSEY

With more than 40,000 employees in New Jersey, Amazon became the state’s largest private sector employer in 2020. During the pandemic, Amazon added 14 delivery stations—nearly doubling its footprint in the state. From a 360,000 square foot warehouse in East Rutherford, new warehouses in Lodi and Mahwah, and new delivery centers in Edison, Lawrence, and Carlstadt, Amazon is rapidly expanding in New Jersey. Amazon’s growth in the state has resulted in a spate of workplace safety, public health, and wage theft issues for New Jersey workers. After a COVID outbreak among Amazon workers in Carteret, the Mayor ordered the county and state health departments to temporarily close the Amazon warehouse in April 2020. In 2018, 24 Amazon workers in Robbinsville, NJ were hospitalized after an Amazon robot punctured a can of bear spray, releasing toxic fumes into the warehouse and injuring dozens people.

The Port Authority Board’s shadowy Amazon airport deal is part of a longstanding pattern. The Governors of New York and New Jersey appoint the board of commissioners who run the Port Authority of New York and New Jersey. These roles tend to go to sizable campaign donors, real estate developers, and people with close ties to Wall Street. Given the political nature of the body, it was not surprising it oversaw “Bridgegate” – a 2013 political scandal in which workers at the Port Authority were ordered to shut down two of the three lanes on the world’s busiest bridge, the George Washington Bridge, in an attempt to punish former New Jersey Governor Chris Christie’s political rivals. This resulted in days of gridlock traffic which blocked emergency vehicles and delayed thousands of commuters. Bill Baroni, the deputy executive director of the Port Authority at the time, was eventually indicted on federal criminal charges.
THE PORT AUTHORITY OFTEN MAKES CRITICAL DECISIONS IN CLOSED-DOOR EXECUTIVE SESSIONS

In recent months, the Port Authority Board has cited COVID protocols as the reason the public and press are barred from meetings, despite other agencies like the Metropolitan Transportation Authority reopening to the public. The August 5th meeting provided zero opportunities for debate or public comment on the Amazon Newark airport deal. This is only the latest instance in a long track record of Port Authority making important decisions in closed-door executive sessions. According to good government groups like Reinvent Albany, the Port Authority has inadequate transparency requirements and operates as if they are outside New York and New Jersey’s public meeting laws. At its most recent meeting, chairman Kevin O’Toole responded to public criticism of their virtual meetings: “I think we, Rick and others have done a lot in the last four years to bring back a great, clear, visible transparency to the Port Authority,” said O’Toole. “I reject the notion that we’re using poor IT issues to mute people or have them shut out of the process.”

AMAZON’S POOR LABOR PRACTICES AND PREDATORY BUSINESS MODEL LIKELY VIOLATE THE PORT AUTHORITY’S LESSEE CODE OF ETHICS

The Port Authority Lessee Code of Ethics requires that lessees, including private companies like Amazon, comply with a range of standards including “Fair employment practices and interactions with the public and all workers.” Far from a high road job creator, in reality, Amazon imposes grueling standards, skirts benefits, and discourages unionization for its warehouse and logistics workers. Notably, Amazon’s large warehouse workforce is disproportionately Black and Latinx. Amazon’s warehouse management practices subject workers to grueling and pressure-filled shifts and demand workers meet production quotas that can be set 60 percent higher than the industry standard. The company reportedly tracks every action workers take while performing job duties, and penalizes workers for deviating from company standards.

Amazon founder Jeff Bezos is the world’s second-richest living person, and the company he started is valued at $1 trillion. Meanwhile, thousands of workers at Amazon facilities in many states receive SNAP food assistance because they are unable to purchase enough food for their families. In addition to egregious treatment of its workforce, Amazon’s predatory business model is built on avoiding taxes, smothering smaller businesses, selling technologies that enable government surveillance, and selling customer data.

Where were the Port Authority’s So-Called “Robust Ethical Standards” with Amazon?

According to Port Authority Executive Director Rick Cotton “Integrity stands at the top of the Port Authority’s agenda […] The agency is committed to maintaining ethical business dealings, accountability, and transparency above all else. This lessee code of ethics now codifies these robust ethical standards for all those who enter into lease agreements with the Port Authority and do business at Port Authority facilities.”
“As a former Amazon worker and as a lifelong resident of the Ironbound, I’m calling on the Port Authority to stop the secret deal with Amazon and listen to community voices. When I worked at Amazon I was monitored like a robot and overworked to increase the profits of the richest man in the world. We would be given such short bathroom breaks and had to walk so far across the warehouse that by the time we got back we barely had time to go to the bathroom – we had to run back. If our production failed, we had to speak to a supervisor about our numbers and figure out a way to stay on track.

Now Amazon is taking steps to solidify its presence in New Jersey – making it the largest employer in our economy, reaping unprecedented profits at the sake of our communities’ health and environment. I’m not only fighting this deal as a worker, but also as a community member of an airport community. I was born and raised in the Ironbound and my community has already been overburdened with pollution for years. We experience bad smells from fat rendering and sewage facilities that we have in the area on top of the diesel fumes and garbage incinerators.

We have planes flying overhead stopping class in our schools and this air hub coming in will only exacerbate this more. How can our children continue to grow and learn under these conditions?

It’s time to STOP this secret deal. It’s time to STOP Amazon and listen to community voices. We need the Port Authority to listen to workers and community members like me. We need to value community input and put people before profits especially when our infrastructure is put out for rent. Amazon is using our roads, our highways and now our airports to make billions in profits at the expense of our health and our safety. Unionized workers are being displaced by this deal. Help protect the most vulnerable communities. We are here to call on the Port Authority to STOP the deal until they hear our concerns.”

— Christian Rodriguez, a former Amazon worker and Ironbound resident

HOW AMAZON’S NEWARK DEAL WOULD HURT NEW JERSEY’S COMMUNITIES OF COLOR

The neighborhoods in the immediate vicinity of Newark Airport are primarily working class Black and Latinx communities. Newark is 50% Black while the adjoining Elizabeth NJ, is over 65% Latinx. The median household income in Newark is $35,000 and more than one in four people lives in poverty. As part of the deal, Amazon has said it will make a “good faith effort” to use local businesses and women and people of color-owned businesses. Amazon also said it will invest in “infrastructure that would support zero emissions” but no details were provided. In reality, the Amazon expansion would create low-road jobs without a union, exacerbate already devastating environmental injustice, and hurt the struggling communities near the airport.

UNLESS BLOCKED, THE AMAZON NEWARK AIRPORT DEAL IS POISED TO:

DISPLACE UNION WORKERS WHILE CREATING LOW-ROAD, NON-UNION JOBS

While Amazon is touting its job creation and commitment to “hiring locally” in this proposed deal, in reality, the Newark scheme will create 1,000 non-union, low-road jobs while displacing union jobs currently at these Newark airport warehouses. The Miami-based cargo handling provider, Alliance Ground International, along with Worldwide Flight Services and Choice Aviation Services, is getting displaced by the Amazon Air deal. According to SEIU 32BJ, these warehouses are currently home to a workforce of unionized subcontracted cargo workers. This move is consistent with Amazon’s broader business model, which is built on an elite group of high earners receiving massive gains while working people face financial instability and falling wages. Amazon’s booming profits do not translate into widely shared prosperity for local communities, who often struggle with rising costs of housing, childcare, transportation, food, and healthcare after the company comes to town.
FURTHER BURDEN A COMMUNITY
ALREADY FACING ENORMOUS
ENVIRONMENTAL RACISM AND SERIOUS
HEALTH IMPACTS

The Newark Liberty Airport, which is directly adjacent to both Port Newark and the Elizabeth-Port Authority Marine Terminal, severely impacts Black and Latinx communities who already face egregious environmental racism and devastating health impacts. An estimated 15,000 trucks travel through the port each day—3,600 trucks an hour during rush hour. In particular, diesel trucks bound for the ports cause enormous pollution in the surrounding cities. People near the Port of New York and New Jersey suffer from diesel levels that are a shocking 100 to 1,000 times what is considered safe for people to breathe. In addition to the ports, Newark has 930 pollution-causing facilities (87 of which have current violations). This is compounded by airport-related traffic—heavy airplane traffic can pollute air up to 10 miles away. Research shows that traffic noise, from road and airways, elevates stress and the risk of cardiovascular disease.

All of these existing issues will be compounded by Amazon’s expanding footprint and breakneck shipping volumes, which would all occur in the backyard of these local communities. Even though Amazon has made vague commitments to eventually supporting zero emissions, it is still slated to significantly increase the already enormous volume of air and ground traffic—without significant and immediate investments in zero emission technology, this will increase toxic pollution in the immediate term.

Widespread serious health issues abound in the shadow of Newark airport because of this environmental racism. For instance, in parts of the majority Black city of Newark, the children's asthma rate is three times the national average. People living in Census tracts closest to the ports have elevated cancer risks from air quality. This echoes national research showing stark racial disparities in who is exposed to harmful air pollution. People of color are much more likely to breathe polluted air from trucks, road dust, industrial sites, construction, and more. This kind of small particulate matter has been shown to cause premature death in people with heart and lung disease, as well as asthma and other respiratory symptoms, and heart attacks.

This Amazon deal is consistent with the Port Authority Board’s poor track record on environmental justice and transparency on decisions will have major community impacts.

The board has faced widespread criticism for rolling back vital improvements designed to reduce emissions and health risks for communities in the port area. For instance, the scaled back clean truck program and reversal of a commitment to decommission dirty diesel trucks. In another failed project, the Port Authority misspent $35 million in federal funding designed to reduce emissions and improve air quality for the communities surrounding the ports. The Board eventually abandoned the plan. After litigation on the proposed LaGuardia AirTran project, documents revealed that the Port Authority Board embellished the benefits of the proposed AirTran and selectively picked community impact criteria that would enable it to justify its preferred proposal—raising serious questions about the integrity and thoroughness of its voting processes.

SOLIDIFY AMAZON’S MONOPOLISTIC DOMINANCE ON THE EAST COAST WHILE THREATENING LOCAL SMALL BUSINESSES

While Congress is currently debating ways to reign in Amazon’s monopoly power, this deal would only act to solidify Amazon’s growing dominance on the East Coast. New Jersey Senator Cory Booker has led the charge against Amazon and other tech companies’ bad practices, arguing “we need to use every antitrust remedy—including breaking up firms—to protect consumers, competition and our democracy.” This echoes public sentiment—a recent poll found that 80 percent of voters believe Amazon should be more heavily regulated and over half support breaking the company up.

Amazon's expansion in recent years has destabilized and destroyed small, independent businesses. An estimated 65,000 small retailers went out of business between 2007 and 2017 alone. Many point to Amazon's dominance as a contributing factor to this trend. Amazon frequently engages in predatory pricing to undercut small businesses (including selling goods at a loss to hurt competitors and corner the market), taking ideas from small businesses to create their own competing version of products, and, among third-party sellers on its site, imposes fees and other harmful restrictions on their businesses. If the Newark deal goes through, Amazon’s presence is poised to decrease or destroy local retailers while driving up warehouse rents for smaller businesses.
AMAZON’S EXPANDING WAREHOUSE FOOTPRINT: HARSH REALITIES FOR WORKING PEOPLE

Research has shown that when Amazon expands into local communities:

- **Wages Decline:** When a large Amazon facility opens in the United States, the average compensation for similar jobs in that community declines more than 6 percent in the two years after opening. Warehouse workers in areas with an Amazon facility are paid about 10 percent less than warehouse jobs elsewhere.

- **Turnover Increases:** A new Amazon facility increases the turnover rate for warehousing and storage employees in a county by an average of 30 percentage points in two years. In fact, when Amazon comes to a town, average warehouse worker turnover can increase to 100% in a given year.

- **Rates of Serious Injuries Skyrocket:** The serious injury rate at Amazon warehouses — meaning workers were hurt badly enough to miss work or be placed on light duty — is almost 80 percent higher than the serious injury rate in the warehouse industry overall.

“In Elizabeth, as a city with a port and an airport, we already have a lot of pollution and too many trucks on our roads. As a mother, I’m concerned that the Amazon airport hub expansion will just increase pollution of the air our kids breathe. Amazon promises jobs but the reality is that when they come to a city, jobs decrease overall in the area. We call on the Port Authority to stop this dangerous, secret deal with one of the richest corporations and to listen to the voices of community residents.”

— Anny Gonzalez, NJ resident

**“DIESEL DEATH ZONES” A CAUTIONARY TALE IN SAN BERNARDINO CALIFORNIA AIRPORT’S AMAZON AIR HUB**

The Port Authority Board is facing fierce public opposition to this New Jersey deal, which echoes community sentiments around similar Amazon giveaways in California.

In 2020, San Bernardino, California residents and community organizations organized in the wake of a newly announced Amazon air hub at the San Bernardino International Airport. Since opening its first Amazon warehouse in San Bernardino in 2012, the company has since opened 15 more warehouses in the area. Like in New Jersey, the communities surrounding the San Bernardino airport are predominantly working class Latinx communities contending with enormous pollution from truck traffic and planes. After the airport authority commission called a special meeting to ratify the Amazon San Bernardino airport lease, a group of community plaintiffs came forward to challenge project construction on the grounds it violates federal environmental law and had a “faulty and incomplete environmental review.”

**AMAZON HAS NO PLACE IN NEW JERSEY’S NEWARK AIRPORT**

Amazon’s massive expansion in Newark Liberty airport is not a done deal. It is still possible to stop the Port Authority’s proposed Amazon leasing agreement. While the deal has been announced, Amazon has yet to sign the agreement and in early September Amazon indicated “the lease remains subject to final negotiation.” It will be signed on or around November 1st unless the Port Authority stops the deal to take input from community residents. There is still time to influence this process to ensure robust community input and environmental impact assessments. This and future Port Authority deals require more transparency, accountability, and public participation. New Jersey communities deserve public policies and investments that benefit all New Jersey residents, not just corporate bad actors like Amazon.
ENDNOTES


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