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## Cargo fee not likely to get vote

**But effort to add \$30 charge isn't over, says bill author Lowenthal.**

By Kristopher Hanson, Staff writer

LONG BEACH - An effort to tack a \$30 fee on cargo container traffic at local ports to reduce air pollution, improve security and build infrastructure is near death today after legislators in Sacramento refused to put the measure up for a vote this week.

The bill, SB 760, has been bouncing around the state Capitol for more than a year as its author, State Sen. Alan Lowenthal, D-Long Beach, tries to drum up support while deflecting criticism that the measure would harm commerce at the ports of Long Beach and Los Angeles.

"I'm gonna fight like crazy to have it heard," Lowenthal said Friday. "I've let them know that this is my number one legislative priority this year and I won't let it go."

Earlier in the week, the bill received a boost from an economic report that said a \$30 container fee would have a very minimal impact on trade at the ports, which together comprise the busiest such complex in the nation.

On Friday, the bill was left languishing in a legislative appropriations committee, a move indicating it would probably be bypassed this year.

The bill must be sent before the State Assembly by Thursday if it has any chance to succeed during the current legislative session, which ends Aug. 31, Lowenthal said.

"There's a lot of game-playing and posturing going on right now," Lowenthal said. "I just hope that (760) isn't caught up in the posturing."

The senator has been pushing his bill to offset costs associated with the extra security, transportation and health risks linked to port traffic.

The shipping industry, which opposes a fee, has said such a tax would harm trade and



may prompt the shipment of goods to other West Coast ports not affected by the fee.

A new report, titled "Cargo on the Move Through California: Evaluating Container Fee Impacts on Port Choice" said any fee's negative impacts on business would be strongly outweighed by future port growth and the shipping industry's own desire to move goods into Southern California.

The study was authored by professors James Corbett at the University of Delaware and James Winebrake at the Rochester Institute of Technology.

They found that a \$30 fee tacked onto each inbound twenty-foot equivalent container (TEU) would add between 1.5 to 2.5 percent to each ship's voyage cost to the ports.

The authors also noted that ship diversion would not exceed 1.5 percent because of the industry's preference to ship into the Los Angeles area, where an estimated 40 percent of their goods are distributed.

A \$30 fee initially would generate about \$500 million annually to be split among

infrastructure projects, security enhancements and efforts to reduce pollution coming out of the port, supporters said.

Advertisement

The advertisement is for the Long Beach Armada Professional Baseball team. It features a blue background with a white starburst pattern. At the top left is the team's logo, which includes a stylized arm holding a baseball bat and the word 'ARMADA' in a blue and white font. To the right of the logo, the text reads 'Long Beach Armada Professional Baseball' in white, followed by the slogan 'Professional Baseball the Whole Family can Afford'. In the center, there is a photograph of Jose Canseco in a white baseball uniform, captured in a batting stance. To the left of the photo, the text says 'COME WATCH Jose Canseco & the Armada'. Below this, it states 'TICKETS START AT \$7'. At the bottom left, there is a call to action: 'CLICK HERE FOR MORE INFORMATION'.

The port complex, which provides jobs for an estimated 316,000 people in Southern California, has been identified as the number one source in the region of dangerous diesel emissions blamed for cancer, asthma and other illnesses.

Port traffic has also placed a strain on local freeways and rail lines used to move goods out of the area.

Jack Kyser, chief economist for the Los Angeles County Economic Development Corporation, suggested that businesses should share with taxpayers the tremendous infrastructural, environmental and security costs associated with port traffic.

"In the end, we're being asked to bear a burden to move goods into the rest of the U.S.," Kyser said. "We should have a sharing (by business) of the burden to move those goods."

Kyser said a \$30 fee would have minimal impact on overall costs for consumers and businesses.

"It would probably be just pennies you have to add onto each product in those containers," Kyser said.

The Coalition for Clean Air, an environmental advocacy group that supports Lowenthal's bill, said the effort will be renewed next year if it fails this month.

"The lives and lungs of Californians should not subsidize international trade," said Tim Carmichael, president of the Coalition for Clean Air. "Trade is a major economic engine for California, but today it is also one of the largest sources of pollution in our state. It is logical and efficient for the companies profiting from this trade to pay a small fee for the necessary infrastructure, security and clean air investments."

Lowenthal urged supporters to contact Assemblymember Judy Chu, D-El Monte, and Assembly Speaker Fabian Nunez, D-Los Angeles, who ultimately control if SB 760 is heard on the assembly floor.

To read the full economic report, visit [www.coalitionforcleanair.org](http://www.coalitionforcleanair.org).

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