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Legislature passes port cargo fee

Governor will now decide whether to sign the controversial proposal, which imposes a surcharge on containers, into law.

By Michael Gardner and Donna Littlejohn
Copley News Service

SACRAMENTO -- Testing Gov. Arnold Schwarzenegger's resolve to curb smog, make a dent in gridlock and improve security, lawmakers have sent him controversial legislation that would impose a fee on containers shipped through the ports of Los Angeles and Long Beach.

The new revenues of up to \$500 million annually would help the state and harbors improve security, implement the two ports' shared landmark pact to reduce pollution and help improve the clogged goods-shipping network of roads and rails from dock to destination.

Passage was cheered by Roslyn Holtz, a San Pedro mother whose two children have asthma and who lives just 2 miles from a potential terrorist target.

"How much are lives worth?" she asked. "Are they worth \$30 a container?"

The measure, which would assess \$30 for each 20-foot-equivalent container unloaded at the Los Angeles and Long Beach docks, had teetered on the brink of defeat but was rescued by a persistent campaign by health advocates and Sen. Alan Lowenthal.

"We're thrilled the (Legislature) took action on this lifesaving bill. They heard the voices of parents with children who have to fight to breathe when they play outside," said Martin Schlageter, advocacy director for the Coalition for Clean Air. "Now it's in the governor's hands."

The governor has not yet taken a position on the bill, but some of his allies are demanding a veto because it would levy fees of up to \$60 depending on the size of the container.

"I'm not sure what the governor is going to do. But he's run a campaign on no new taxes and this is a \$500-million-a-year tax," said John McLaurin, president of the Pacific Merchant Shipping Association.

Lowenthal, a Long Beach Democrat carrying Senate Bill 927, said he will work to convince the governor that the fee amounts to less than a penny extra for goods shipped through containers.

In return, the community and ports would get cleaner air, better security and improved transportation, he said.

"The ports have all these plans. This gives us the money to carry out the plans," Lowenthal said.

The equivalent of 14 million 20-foot containers were shipped through the ports in 2005. Assessments would begin Sept. 1, 2008.

Holtz took opponents to task, daring them to live in San Pedro, where she says she has to regularly clean black dust off her patio furniture. Port-created pollution doesn't just settle around the harbor, but floats throughout the region, posing health threats to all residents, she said.

"That means we're all breathing it," she said. "Everybody's lungs are full of that."

Opponents argue that the fee amounts to an interstate commerce tax and predict it will be successfully challenged in court as being unconstitutional, if signed into law.

Robin Lanier, executive director of the Waterfront Coalition, an import-export business coalition, said the group doesn't oppose public-private partnerships to fund specific improvements agreed to by participants.

If approved, the result will be a loss of business in California, she said. But Lanier predicted it will first be bogged down in court.

"This isn't going to raise one nickel," she said. "If the governor signs it -- and we hope he won't -- it will be challenged in court and tied up in litigation for years."

Beyond the constitutional objection, Lanier said it could be nearly impossible to collect the money since many cargo owners consolidate with others to ship cargo together in one container. It is often difficult, she said, to trace and identify the possibly dozens of cargo owners that may have teamed up to ship goods in a single container.

"How the hell is the state going to impose the fee on all of these owners?" she asked. "They're going to have an impossible time figuring that out. They'll have to create a major bureaucracy to collect it."

Holtz, the San Pedro mother, has an answer to those arguments:

"People who live in this community are subsidizing cheap prices with our health."

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