

## **Container Tax Is Right Way to Pay For Port Upgrades**

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**By TIM CARMICHAEL**

A new, reliable and continuous funding stream is needed to upgrade security and keep the Los Angeles/Long Beach port complex a safe place to do business. These funds would protect neighboring San Pedro Bay communities from pollution and safeguard the thousands of employees who make their living at the harbor.

That's why I disagree with the op-ed from John McLaurin ("Container Tax Is the Wrong Way to Fund Infrastructure," July 31). McLaurin, who is president of the association that represents owners of marine terminals and vessels that operate in the Pacific, wrote that he opposes SB 760, which would create a modest fee on shipping containers at the ports.

But SB 760 invests in a strong economic future for California because its revenue stream will be divided equally into thirds for security enhancements, effective air pollution technologies and rail improvements to cut congestion.

The Los Angeles and Long Beach port complex is the busiest in the nation. As a gateway to international trade, much of it from Asia, the ports are a key economic driver in the Los Angeles region.

Yet for all this economic activity, the L.A./Long Beach port operations would screech to a grinding halt after one terrorist attack. Even the threat of a terrorism plot would strand ships at sea like so many passengers at the airport. Industry knows that such traffic jams cost millions in lost revenues, so it makes dollars and sense to start investing in prevention.

Millions of cargo containers move through U.S. ports, yet 98 percent are never inspected, and they remain a highly vulnerable target. Many national experts have testified that because airports are such a primary focus of post-9/11 security efforts, the ports have been overlooked and are now the weakest link in our country's homeland defense.

SB 760, State Sen. Alan Lowenthal's bill, will begin addressing the port's vulnerability with a funding stream created by collecting \$30 for every twenty-foot-equivalent shipping container processed at the ports. Lowenthal's plan will help equip the ports with the technology and staff needed to thwart terrorists, while making investments in air quality and infrastructure at the same time.

This plan would bring critical investment without more taxpayer debt.

Investments in cleaning up port operations and in rail infrastructure are both key elements of the funding proposal, and both are critical if the ports are going to accommodate a growing volume of goods from overseas. Projections show trade into our ports tripling by 2020. Without addressing congestion and public health issues, port growth will become a political lightning rod. Businesses in Southern California that want a healthy port economy should demand a funding plan that secures, strengthens and cleans up our ports.

The shipping industry is battling to defeat Lowenthal's SB 760 because it can't widen its focus beyond short-term profit – with few of the fiscal responsibilities of doing business at our ports.

Yet the cost is minimal. A new study estimates a \$30 container fee would increase total ship voyage costs to L.A. and Long Beach by just 1.5 percent to 2.5 percent on average.

That translates to mere pennies on an imported DVD player. Hardly enough to stifle profits where the market is set to triple in volume.

SB 760 is a true port user fee, and attorneys for environmental groups are confident the bill will withstand a Constitutional legal challenge.

The shipping industry can bear a fair share of the cost to clean up its operations, secure our ports, and invest in infrastructure. But we can't live with inaction. The ports are already the largest source of diesel pollution in the South Coast Air Basin. State air board officials estimate that 2,400 Californians die prematurely each year due to the pollution from transporting goods and cargo.

And that will lead to a public health bill that I'm sure the shipping industry won't want to foot: The state air board says health costs from these toxic emissions will reach \$200 billion in 15 years.

Just as we cannot let terrorism snarl traffic at the harbor, we can't let pollution cloud our economic future. Let us invest now in cleaner, safer ports. Lowenthal's bill offers a fair and reasonable funding plan that protects future trade and business at the ports.

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