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**Container Fee Bill SB 927 Approved by Assembly;  
Residents, Cities, Labor, Health and Environmental Groups Now Urge Governor to Sign Bill  
To Protect Public Health, the Economy and the Ports**

After intense lobbying by cities, residents, labor organizations and health and environmental groups, SB 927 was approved late Wednesday by the Assembly. With the expected consent of the Senate today, it will reach Gov. Arnold Schwarzenegger for final approval.

“If the governor signs this bill he’ll be saving lives,” said Martin Schlageter, campaign and advocacy director for the Coalition for Clean Air.

SB 927 (which originated in the Legislature as SB 760) will collect \$30 from each container that enters the Los Angeles and Long Beach ports and divide it into thirds for:

- New effective technologies to reduce port air pollution,
- Rail infrastructure improvements, and,
- Specific security enhancements such as container screening.

The shipment of cargo containers – into the ports and across the state – uses a vast network of ships, trucks and trains that emit deadly pollution. This international trade into the state is expected to triple in the next 20 years. But this trade boom will take a deadly toll on the state: The California Air Resources Board estimates 2,400 Californians will have their lives cut short each year from the toxic emissions from goods movement.

The ports also continue to be a weak link in the nation’s homeland defense. Some 98 percent of the millions of cargo containers that enter U.S. ports are never inspected. Experts say the chances of a nuclear weapon or “dirty bomb” slipping past our borders are high.

For almost two years, regional and state leaders have discussed the container fee concept as a viable funding source to strengthen port security, reduce air pollution and improve rail systems.

Last month, a new expert study revealed that the shipping industry can easily bear a portion of the cost to address these port needs.

The report, by two maritime transport and energy experts (*Cargo on the Move Through California: Evaluating Container Fee Impacts on Port Choice*; professors James Corbett, University of

Delaware, and James Winebrake, Rochester Institute of Technology), found that a container fee at Long Beach and Los Angeles ports would not adversely impact trade. (To view the report go to: [www.coalitionforcleanair.org/pdf/reports/ccareports-cargo-on-the-move.pdf](http://www.coalitionforcleanair.org/pdf/reports/ccareports-cargo-on-the-move.pdf))

The report concluded:

- Projected cargo growth would far exceed potential ship traffic diversion, and, as a result, ***future ship traffic diversion would be*** “virtually unobservable.”
- A port user fee, or container fee, at the ports of L.A./Long Beach would result in a negligible ship traffic diversion of ***less than 1.5 percent***. The authors note that their conclusions are also considered conservative, so diversion ***will likely be even less than the reported findings***.
- The \$30 would increase total ship voyage costs to L.A./Long Beach ***by only 1.5-2.5 percent on average***.
- A key factor for the minimal ship traffic diversion, is a ***strong preference for California ports*** because of their access to a lucrative market (roughly 40% of goods that enter Long Beach/Los Angeles remain in Southern California), extensive port infrastructure and cargo handling logistics.

As international trade thrives in the state, Californians will get stuck with a \$200 billion health bill by 2020, according to the Air Resources Board. Goods movement puts nearly 3,000 residents in the hospital each year, and it leads to more than one million school absence days annually.

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For more than 35 years, the non-profit Coalition for Clean Air has worked to restore clean air to California. With offices in Sacramento, Los Angeles and Fresno, it is focused on reducing pollution, protecting natural resources and strengthening the California environmental community.