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**BOARD OF DIRECTORS MEETING  
APRIL 28, 2005**

**SUBJECT: STATE LEGISLATION**

**ACTION: APPROVE STAFF RECOMMENDATION ON STATE LEGISLATION**

**RECOMMENDATION**


Adopt position on SB 760 (Lowenthal). Would impose a container fee of \$30 on each shipping container (twenty-foot equivalent) processed through the Ports of Long Beach and Los Angeles. **SUPPORT – WORK WITH AUTHOR**

**ATTACHMENT**

SB 760 (Lowenthal)

Prepared by Michael Turner  
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*for*   
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**BILL:** SB 760

**AUTHOR:** SENATOR ALAN LOWENTHAL  
(D-LONG BEACH)

**TITLE:** CONGESTION AND ENVIRONMENTAL MITIGATION – CONTAINER FEES

**STATUS:** SENATE TRANSPORTATION AND HOUSING COMMITTEE

**ACTION:** SUPPORT-WORK WITH AUTHOR

**RECOMMENDATION**

Adopt a support work with author position on SB 760 which would impose a container fee of \$30 on each shipping container (twenty-foot equivalent) processed through the Ports of Long Beach and Los Angeles.

**ISSUE**

Many goods movement bills have been introduced this year. A key measure among them is SB 760, which attempts to address issues associated with the Ports of Long Beach and Los Angeles.

**PROVISIONS**

Existing law allows for regulation of ports and harbors operation. This bill would impose a container fee of \$30 on each shipping container (twenty-foot equivalent) processed through the Ports of Long Beach and Los Angeles. The fees will be allocated to the following:

- 1/3 by the California Transportation Commissions to projects that alleviate congestion on highways serving the ports
- 1/3 to the South Coast Air Quality Management District for air mitigation associated with the ports
- 1/3 to the Ports of Long Beach and Los Angeles for security projects

**IMPACT ANALYSIS**

The Ports of Long Beach and Los Angeles currently carry approximately 40% of the nation's cargo. The amount of cargo moving through these two ports is expected to triple by the year 2020. In addition, heavy-duty vehicle traffic to and from the ports will more than double in the next 20 years, from approximately 40,000 vehicles per day to nearly 90,000 vehicles per day.

In light of the future demands on these ports, several pieces of legislation have been introduced to address the issues that are associated with goods movement, such as environmental, traffic and security problems.

According to Senator Lowenthal, SB 760 proposes a funding mechanism that would allow the Ports of Long Beach and Los Angeles to remain the leading economic engine in the state of California. Senator Lowenthal contends this measure will provide transportation, port security and air quality improvements that the ports desperately need right now. A user fee of \$30 per container on each container processed through the Ports of Long Beach and Los Angeles would go towards (1) projects that alleviate congestion on the surrounding transportation networks (2) projects to mitigate environmental pollution caused by the cargo movements to and from the ports via trucks, ships and trains and lastly, (3) projects for securing the ports, including the screening of containers. Under the current container volumes, SB 760 would generate \$450 million/year of which \$150 million would be available for transportation projects.

Lastly, the Schwarzenegger Administration has enlisted the Business, Transportation and Housing Agency and the California Environmental Protection Agency to develop policies for goods movement in the state. The Governor has issued the first phase of this effort and will be presenting the results shortly. SB 760 is one of many measures that have been introduced by the Legislature in an attempt to work in concert with the Administration on goods movement issues. Last year, a similar piece of legislation, AB 2041, was introduced by then Assembly Member Lowenthal. AB 2041 did not make it out of the Senate Appropriations Committee.

The current allocations need to be modified to include more funding for transportation projects. This change may potentially back transportation projects that were delayed due to the state budget deficit. In addition, it is important that the local agencies be provided with more oversight and authority so that each agency can select and manage the projects that would be funded through funds generated from SB 760. It is recommend that the Board of Directors adopt a support work with author position on SB 760.