



San Pedro Bay Ports Clean Air Action Plan

Proposed Infrastructure Cargo Fee

Purpose:

The ports of Long Beach and Los Angeles are proposing to adopt a fee on containerized cargo to help pay for needed repair, replacement or improvement of key bridges, railway, and roadways in the harbor area. The proposed Infrastructure Cargo Fee (ICF) would provide funds for upgrades to aging infrastructure that would reduce congestion, expedite goods movement, and improve air quality.

Summary:

The ports are proposing to:

- Levy an Infrastructure Cargo Fee that would levy charges, beginning in January 2009, on each loaded import or export container moved through the ports' terminals by truck or rail. Because the program will be pay-as-you-go, the amount of the ICF will fluctuate, based on that calendar year's funding needs for the list of approved projects. It is anticipated that the fee collection would begin at a rate of \$15 per loaded twenty-foot-equivalent container (TEU), and will range over a period of seven years from \$10 to \$18 per TEU.
- Use the ICF revenue to match funds from Proposition 1B, which California voters approved in 2006 to help pay for major port-related transportation infrastructure and air quality improvements. The ICF funds could help leverage other local, state and federal monies as well.
- End collection of the Infrastructure Cargo Fee once the approved list of projects is completed and paid for.

Overview:

The ports of Long Beach and Los Angeles are the nation's two busiest container cargo seaports and handle about 40 percent of the country's container cargo. But many of the ports' key roads, bridges and railroads are aging and in critical need of improvement or replacement. Modernizing the ports' infrastructure would reduce traffic congestion and air pollution.

Through the San Pedro Bay Ports Clean Air Action Plan, the ports are implementing a wide range of environmental and infrastructure improvements to reduce pollution and traffic impacts on the surrounding communities.

The proposed Infrastructure Cargo Fee would raise revenue directly from the goods movement industry to pay for about half of the costs of the approved list of projects. The ICF, which would sunset after the projects are completed and paid for, would generate the matching funds needed to receive local, state and federal funding to help pay for the projects.

ICF revenue and California Proposition 1B funds would pay for rail and highway projects including improvement of the ports' on-dock rail network, which will help reduce truck trips to the ports. Local highway improvements include replacement of the Gerald Desmond Bridge from Long Beach to Terminal Island and construction of an interchange to allow the removal of a traffic light at Navy Way and Seaside Avenue. The ports also propose to improve access from the Harbor Freeway to the Port of Los Angeles, and replace the Schuyler Heim drawbridge on the Terminal Island Freeway by building a four-lane, elevated expressway between Ocean Boulevard and Alameda Street at Pacific Coast Highway. Also proposed is a highway-railroad grade separation in south Wilmington.

The ICF will allow the ports to raise funds to pay for the projects as they progress and the ICF establishes a way for the goods movement industry to pay for a share of the needed infrastructure improvements.

The revenue is subject to local control by the harbor commissions of Long Beach and Los Angeles.