Goods Movement

Principles For A Container Fee Program

With an estimated 15.7 million containers passing through the ports of Los Angeles and Long Beach in 2006, these two ports stand as the fifth largest port complex in the world. With a daily rate of 40,000 containers moving through this port complex, the state's transportation system and environmental quality is severely impacted. Scarce financial resources require an innovative approach to finance mitigation measures to improve the movement of cargo through the ports. Therefore, the Orange County Transportation Authority (OCTA) Board of Directors has adopted the following principles for a container fee program.

- The port system in Southern California is defined as the entire network which supports the movement of goods to and from the ports of Los Angeles and Long Beach including directly impacted infrastructure and communities in the counties of Los Angeles, Orange, Riverside, and San Bernardino.

- Any container fee program that is developed should fund projects which expand capacity and specifically mitigate the impacts of port activity and the movement of goods on local communities in Southern California (for example, increased capacity on rail lines should be coupled with grade separations).

- Any fee that is charged should be contractually and specifically designed to increase capacity, and mitigate congestion and air quality issues directly associated with the movement of cargo from California Ports, and be distributed in a fair and equitable manner to local and regional government agencies in Los Angeles, Orange, Riverside, and San Bernardino counties.

- Fees collected should be placed in separate dedicated funds based on geographic region and project category. The program should specify a timeline in which fees will be collected, continuously appropriate revenues to locally identified projects, sunset once specified project outcomes are achieved, and be sufficiently firewalled in order to prohibit diversions by the state or any other entity for another purpose.

- Selected projects for congestion relief and mitigation should be clearly defined, separate accounts should be created for each category, and funds from these accounts should be eligible for port and inland transportation and air quality mitigation projects including upgrading and purchasing new equipment.

- Projects which are identified for each funding category should be intended to improve the efficiency of transporting cargo and mitigating the effects of port activity.

- Selected projects should not be intended to impose additional regulations and/or obligations on local municipalities and government entities.

- The state should not impose any unfunded mandates when developing policies which would administer or provide oversight regarding the establishment of a program to levy container fees.

- When developing guidelines for implementing the program, the appropriate public agencies should include strong accountability and oversight provisions to ensure that funds are used appropriately and effectively.

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