

Freight-fee savvy

Tuesday, February 19, 2008

Southern Californians should not pay the price so Midwesterners can get a better deal on computers, tires and tennis shoes. The burgeoning trade through Southern California's ports creates local traffic congestion and air pollution -- and that commerce needs to start contributing toward relieving those burdens.

So Congress should support legislation introduced last month by Reps. Ken Calvert, R-Corona, and Jesse Jackson Jr., D-Ill., to impose a fee on freight moving through the nation's seaports, airports and other points of entry. Under HR 5102, shippers would pay a fee of 0.075 percent of the cargo's value or \$500, whichever is less, on imports and exports.

How much that would raise is not clear. But the ports of Los Angeles and Long Beach alone handled more than \$300 billion worth of goods last year, so the fee could generate tens of millions of dollars for Southern California transportation projects.

The money would go for freeway, bridge and rail crossing improvements, truck lanes and other projects to relieve the congestion caused by goods movement. The bill targets the money to trade corridors extending up to 300 miles from the port or other entry point. The fees collected at each entry point would stay in that region.

The federal government should be doing far more to offset the negative effects of cargo traffic. Washington has clear jurisdiction over interstate commerce and international trade, unlike state and local governments. HR 5102 provides a national solution effective for all trade corridors, based on the volume of commerce at each one.

Shippers and retailers worry the fee would add to the cost of goods. But the effect would be tiny -- less than 8 cents on every \$100 of value, even at the maximum rate. Consumers would not be priced out of the market, but the fee would provide money to bolster trade-stressed regions of the nation.

Southern California particularly needs the help with congestion relief. More than 40 percent of the nation's imports enter through the ports of Long Beach and Los Angeles, and those goods roll through the region -- most of them bound for other states -- on trains and trucks. Regional transportation planners project that Southern California alone needs at least \$26 billion in improvements within the next decade to handle the crush of freight traffic.

Easing traffic congestion from trade would also help cut the region's deadly air pollution. A 2006 state Air Resources Board estimate linked pollution from goods movement to 1,200 premature deaths in the South Coast Air Basin during 2005.

State and local taxpayers have already done their part, passing bonds and sales tax increases to help fund goods movement projects.

Booming freight traffic created the need for expensive transportation improvements. It also created a financial responsibility for shippers: They need to help address the trade-induced traffic that chokes the region.