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AJR-30 Freight transportation: federal funding. (2021-2022)

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Assembly Joint Resolution No. 30

CHAPTER 149

Relative to freight transportation.

[Filed with Secretary of State August 23, 2022.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 30, Gipson. Freight transportation: federal funding.

This measure would request the Congress of the United States to pass legislation and the President of the United States to sign into law a statute providing for, and the United States Department of Transportation and all federal agencies implementing any federal statute or regulation providing federal funding for ports or multimodal freight transportation to provide, a fair allocation of federal transportation funding for freight projects in California, specifically, and on the Pacific Coast of the United States, generally, based on the volume of containerized freight moved.

Fiscal Committee: no

WHEREAS, The national supply chain, national economy, and international standing of the United States benefits from and depends on the airport, land port of entry, and seaport infrastructure developed to facilitate interstate and international trade by California, its local governments, and its residents; and

WHEREAS, While there are many important benefits from facilitating international trade and California recognizes the need to continue to invest in its trade and freight infrastructure, the appropriate development of California's trade and freight infrastructure is impeded due to the lack of federal funding and federal funding not being allocated fairly to California and the Pacific Coast of the United States; and

WHEREAS, A lack of significant federal investment in interstate and international trade infrastructure in California has significant disproportionate costs, most notably the additional impacts of traffic congestion on California's local roads, highways, and railways and the emissions from heavy-duty equipment, trains, trucks, and ships on air quality and public health; and

WHEREAS, Additional costs include the imposition of heavy local and state revenue bonding, public financing, and unfair private sector costs in California, which are burdens associated with building and maintaining the transportation infrastructure necessary to grow and facilitate interstate and international trade, costs which are not borne to the same degree in other states competing for the same international and interstate trade as California; and

WHEREAS, California's 11 public seaports, whose numbers include the busiest container ports in the nation, facilitate interstate and international trade in the national interest, are locally financed entities that do not receive regular federal assistance or benefit from a fair percentage of the customs revenue generated in the state or a fair share of the percentage from the federal Harbor Maintenance Tax; and

WHEREAS, Even as total federal spending on seaports has increased over the past decade, ports on the Pacific Coast of the United States, including California's public seaports, have lagged behind ports on the East and Gulf Coasts of the United States in receipt of federal funding by a overwhelming and unfair ratio; and

WHEREAS, The Port of Long Beach alone, for example, handles approximately 36 percent of all United States loaded imported container traffic; and

WHEREAS, Ports on the Pacific Coast of the United States, including ports in California, Oregon, Washington, Alaska, and Hawaii, have received less than 10 percent of federal port-specific funding over the past decade; and

WHEREAS, Ports on the Pacific Coast of the United States have received approximately \$1,200,000,000 out of over \$12,000,000,000 in federal port-specific funding over the past decade compared to ports on the Atlantic Coast of the United States, which have received \$7,500,000,000, ports on the Gulf Coast of the United States, which have received \$3,300,000,000, and ports on the Great Lakes of the United States, which have received \$235,000,000, in federal port-specific funding over the same time period; and

WHEREAS, California's taxpayers have generated billions of dollars in taxpayer funds to improve the international goods movement infrastructure and reduce air pollution from international goods movement in the state in excess of federal levels of support for the same infrastructure and environmental improvements; and

WHEREAS, The significant costs, both direct and indirect, of facilitating interstate and international trade should not rest primarily with California, its local governments, or its citizens; and

WHEREAS, The primary responsibility for facilitating interstate and international trade and mitigating the costly impacts of interstate and international trade rests with the federal government; and

WHEREAS, On November 15, 2021, the Congress of the United States passed, and the President of the United States Joe Biden signed into law, the federal Infrastructure Investment and Jobs Act (Public Law 117-58); and

WHEREAS, The federal Infrastructure Investment and Jobs Act includes over \$5,000,000,000 in port-specific funding programs, including approximately \$1,500,000,000 for United States Army Corps of Engineers' coastal navigation construction, approximately \$1,200,000,000 for United States Army Corps of Engineers' operations and maintenance dredging, \$2,250,000,000 for a port infrastructure development program, \$25,000,000 for marine highways, and \$250,000,000 for reducing emissions from trucks at ports, in addition to the creation of a new port electrification grant program; and

WHEREAS, The federal Infrastructure Investment and Jobs Act includes an additional \$27,000,000,000 in infrastructure assistance funding for eligible port projects; and

WHEREAS, The federal Infrastructure Investment and Jobs Act includes a surface transportation reauthorization with increases in infrastructure grants with port eligibility and multimodal caps for eligible programs; and

WHEREAS, California ports are entitled to a fair share of the newly authorized and funded federal programs under the federal Infrastructure Investment and Jobs Act; and

WHEREAS, California is experiencing the effects of an unprecedented global supply chain crisis, with disruptions to goods movement caused and exacerbated by the COVID-19 pandemic and surges in product demand, which outstrip equipment supply and availability; and

WHEREAS, The impacts of the global supply chain crisis are increasing costs and threatening access of California exporters to foreign markets, which in turn threatens the sustainable economic growth of California; and

WHEREAS, It is in the nation's best interests to encourage the development and growth of California-originated export cargoes, improve access to foreign markets for California's exported goods by reducing the real costs of freight transportation, and create and support jobs provided by California's employers who are able to grow their export businesses or maintain their export markets; and

WHEREAS, California's exporters and the international trade they facilitate are critical components of the California and national economy, directly or indirectly employing millions of Californians, contributing billions of dollars in economic activity, and generating significant local and state tax revenues as a result of this activity; and

WHEREAS, The development, improvement, expansion, and maintenance of California's exports cargoes from farming, distribution, manufacturing, fabrication, assembly, processing, and warehousing sites in the state are essential to the growth of the state's economic well-being and the ability of those businesses and workers associated with trade-related industries to continue to compete cost effectively on a regional, national, and global scale; and

WHEREAS, The global pandemic has demonstrated that access to the global supply chain in times of excessive demand can be limited by extenuating factors beyond the control of Californians and that the impacts of a lack of access to equipment, vessels, and foreign markets on the California exporter and the California export economy can be significant; and

WHEREAS, It is in the federal interest to assist California exporters in weathering increased costs of access to foreign markets; now, therefore, be it

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature respectfully requests the Congress of the United States to pass legislation and the President of the United States to sign into law a statute providing for, and the United States Department of Transportation and all federal agencies implementing any federal funding statute or regulation for ports or multimodal freight transportation to provide, a fair allocation of federal transportation funding for freight projects in California, specifically, and on the Pacific Coast of the United States, generally, based on the volume of containerized freight moved; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, the Speaker of the House of Representatives, the Majority Leader of the United States Senate, each Senator and Representative representing California in the Congress of the United States, and the Secretary of the United States Department of Transportation.