

Assembly Joint Resolution

No. 30

Introduced by Assembly Member Gipson

April 21, 2022

Assembly Joint Resolution No. 30—Relative to freight transportation.

LEGISLATIVE COUNSEL’S DIGEST

AJR 30, as introduced, 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.

1 WHEREAS, The national supply chain, national economy, and
2 international standing of the United States benefits from and
3 depends on the airport, land port of entry, and seaport infrastructure
4 developed to facilitate interstate and international trade by
5 California, its local governments, and its residents; and
6 WHEREAS, While there are many important benefits from
7 facilitating international trade and California recognizes the need
8 to continue to invest in its trade and freight infrastructure, the
9 appropriate development of California’s trade and freight
10 infrastructure is impeded due to the lack of federal funding and

1 federal funding not being allocated fairly to California and the
2 Pacific Coast of the United States; and

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

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

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

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

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

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

36 WHEREAS, Ports on the Pacific Coast of the United States
37 have received approximately \$1,200,000,000 out of over
38 \$12,000,000,000 in federal port-specific funding over the past
39 decade compared to ports on the Atlantic Coast of the United
40 States, which have received \$7,500,000,000, ports on the Gulf

1 Coast of the United States, which have received \$3,300,000,000,
2 and ports on the Great Lakes of the United States, which have
3 received \$235,000,000, in federal port-specific funding over the
4 same time period; and

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

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

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

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

22 WHEREAS, The federal Infrastructure Investment and Jobs Act
23 includes over \$5,000,000,000 in port-specific funding programs,
24 including approximately \$1,500,000,000 for United States Army
25 Corps of Engineers’ coastal navigation construction, approximately
26 \$1,200,000,000 for United States Army Corps of Engineers’
27 operations and maintenance dredging, \$2,250,000,000 for a port
28 infrastructure development program, \$25,000,000 for marine
29 highways, and \$250,000,000 for reducing emissions from trucks
30 at ports, in addition to the creation of a new port electrification
31 grant program; and

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

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

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

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

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

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

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

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

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

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

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

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

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