

**Statement of  
The Honorable Elijah Cummings  
Subcommittee on the Coast Guard and Maritime Transportation  
Long Beach Field Hearing On  
“Port Development and the Environment at the  
Ports of Los Angeles and Long Beach”  
August 4, 2008**

Today, we convene the Subcommittee on Coast Guard and Maritime Transportation to consider the efforts of the Ports of Los Angeles and Long Beach to generate the financing needed to expand their infrastructure to meet the increasing demands of global trade, while working to reduce the release of the polluting air emissions that result from all aspects of the ports' operations.

The need to provide infrastructure adequate to accommodate transportation demand, while protecting our environment by reducing air emissions, are central concerns of almost every facet of transportation policy in this nation today, including maritime and freight transportation.

Because the Ports of Los Angeles and Long Beach together comprise the largest port complex in the United States, as well as the largest single source of pollution in California's South Coast Air Quality Management District, their efforts to respond to these two critical challenges are of great interest to the Subcommittee as well as to ports throughout the nation.

I thank Congresswoman Laura Richardson, who requested this hearing to give the Subcommittee the opportunity to see these issues first-hand. I also commend her for her leadership on the Subcommittee on issues pertaining to freight transportation and for the dedication with which she represents the interests of her constituents.

In an effort to generate additional capital to finance needed infrastructure, the Ports of Los Angeles and Long Beach will begin assessing an “infrastructure cargo” fee in 2009 that will be expended on infrastructure improvement projects intended to ease congestion around the ports. The fees are expected to be \$15 in 2009, but will fluctuate depending on the resource needs of the projects to which the funding will be directed.

Additionally, the State of California is considering legislation that would impose a fee of up to \$30 per container passing through the Ports of Los Angeles, Long Beach, and Oakland. Half of this funding would be directed to infrastructure projects that contribute to congestion relief while the other half would fund projects to mitigate air pollution.

The need to generate income to pay for port development has been a challenge for decades. In 1986, for example, Congress established the Harbor Maintenance Tax, which I note was assessed on an ad valorem basis, to pay for dredging projects but the application of this tax to U.S. exports was eventually declared unconstitutional under the Constitution's Export Clause. This ruling, and rulings in related cases considering taxes and fees, are important touchstones as we consider container fees and other revenue generation mechanisms. We look forward to examining this very complex issue in more detail today.

In an effort to take decisive action to reduce emissions from port-related activities, the State of California, the Ports of Los Angeles and Long Beach, and other partners have adopted the ambitious San Pedro Bay Ports Clean Air Action Plan. This Plan is intended to reduce polluting emissions from all facets of port operations, including from vessels calling on the ports, trucks providing drayage services at the ports, and freight railroad and cargo handling equipment operating at the ports.

The part of the Plan that has probably received the most attention is the Clean Trucks program. Both the Port of Los Angeles and the Port of Long Beach have adopted a Clean Trucks program and the programs have many similarities. Both ports intend to assess a \$35 fee on twenty-foot equivalency unit containers, which will then be utilized to support the replacement of virtually the entire fleet of trucks currently serving the ports with new clean trucks meeting current emissions standards. Both ports will allow only licensed motor carriers that enter into concession agreements with the ports to provide drayage services at the ports.

However, the Port of Los Angeles will phase in a requirement over time that will allow only individuals who are employees of the licensed motor carrier concessionaires to serve that port, while the Port of Long Beach will allow licensed motor carrier concessionaires to dispatch individuals who are either employees of the carrier or owner-operators.

We look forward to the testimony of Mr. Richard Steinke, the Executive Director of the Port of Long Beach, and Dr. Geraldine Knatz, the Executive Director of the Port of Los Angeles, regarding the efforts of both ports to meet their infrastructure needs and to combat air emissions. We also look forward to discussing with them the container fee programs that have been adopted at the Ports of Los Angeles and Long Beach as well as the ports' decisions to adopt different models for their Clean Trucks programs.

The witnesses who will appear on our second panel represent critical stakeholder groups affected by the ports' development and financing plans, including the International Brotherhood of Teamsters, the Natural Resources Defense Council, and the members of FuturePorts. We invited a number of other stakeholder groups to join us today, but they were unable to join due to scheduling and other conflicts. Many of these groups have submitted statements that will, without objection, be included in the hearing record.