

Assembly Joint Resolution

No. 59

**Introduced by Assembly Member Bogh
(Coauthors: Assembly Members Benoit, Emmerson, Garcia, Huff,
Negrete McLeod, and Sharon Runner)**

August 17, 2006

Assembly Joint Resolution No. 59—Relative to customs duties.

LEGISLATIVE COUNSEL'S DIGEST

AJR 59, as introduced, Bogh. Customs duties and importation revenues.

This measure would memorialize the President and the Congress of the United States to enact legislation that will ensure that a substantial increment of new revenues derived from customs duties and importation fees be dedicated to mitigating the economic, mobility, security, and environmental impacts of trade in California and in other trade-affected states across the United States.

Fiscal committee: no.

1 WHEREAS, The goods movement and logistics industry in
2 California employs one out of seven workers in the state,
3 generating over \$200 billion annually for the state's economy
4 and contributing more than \$16 billion a year in tax revenues to
5 state and local governments; and

6 WHEREAS, California's agricultural, natural resources, and
7 manufacturing industries exported more than \$110 billion worth
8 of goods in 2004, making up 13.5 percent of our nation's total
9 exports; and

1 WHEREAS, Foreign trade is increasing rapidly, with the
2 number of containers shipped through California's ports expected
3 to double over the next 15 years, and triple in the next 20 years;
4 and

5 WHEREAS, This increased foreign trade creates a benefit for
6 our state's workers and our state's economy, but also places a
7 burden on California's ports, railways, highways, and airports;
8 and

9 WHEREAS, The existing port security infrastructure is not
10 capable of adequately monitoring the volume of cargo entering
11 the United States today, with less than 40 percent of containers
12 receiving radiation screening, and only 5 percent of containers
13 physically inspected. Without further investment in port security
14 infrastructure and technology, increasing trade will only increase
15 our homeland security risks; and

16 WHEREAS, The United States Customs and Border
17 Protection Agency is responsible for collecting duties and
18 importation fees that are generated by foreign trade, a figure that
19 reached \$24.7 billion in revenues for 2003, a number that is
20 expected to rise to \$40 billion or more by 2015; and

21 WHEREAS, California single-handedly generates over 20
22 percent of these trade revenues; and

23 WHEREAS, Over 98 percent of the revenues derived from
24 trade are deposited directly into the United States Treasury
25 General Fund Accounts; and

26 WHEREAS, Less than 1 percent of these trade revenues are
27 dedicated directly to the Customs and Border Protection Agency
28 to deal with the impacts of trade on congestion, homeland
29 security, and the environment; and

30 WHEREAS, California's Goods Movement Action Plan has
31 identified \$47 billion worth of infrastructure needs to address
32 mobility, environmental, and security concerns in this state
33 throughout the state's four trade corridors: Los Angeles-Long
34 Beach/Inland Empire, Bay Area, San Diego/Border, and Central
35 Valley; and

36 WHEREAS, Other states with major trade centers are facing
37 similar mobility, environmental, and security problems without
38 sufficient revenues to mitigate these trade impacts, making this
39 problem national in scope, and requiring a larger federal
40 contribution to resolve these issues; and

1 WHEREAS, It is sound economic and environmental policy to
2 invest trade revenues into trade infrastructure and mitigating
3 trade impacts; now, therefore, be it

4 *Resolved by the Assembly and the Senate of the State of*
5 *California, jointly,* That the Legislature of the State of California
6 memorializes the President and the Congress of the United States
7 to enact legislation that will ensure that a substantial increment of
8 new revenues derived from customs duties and importation fees
9 be dedicated to mitigating the economic, mobility, security, and
10 environmental impacts of trade in California and in other
11 trade-affected states across the United States; and be it further

12 *Resolved,* That the Chief Clerk of the Assembly transmit
13 copies of this resolution to the President and Vice-President of
14 the United States, to the Speaker of the United States House of
15 Representatives, to the Majority Leader in the Senate, to each
16 Senator and Representative from California in the Congress of
17 the United States, and to the author for appropriate distribution.