

Assembly Joint Resolution No. 14

RESOLUTION CHAPTER 73

Assembly Joint Resolution No. 14—Relative to customs duties.

[Filed with Secretary of State July 3, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 14, Jeffries. 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.

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

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

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

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

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

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

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

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

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

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

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

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

Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California memorializes 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; 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, to the Speaker of the United States House of Representatives, to the Majority Leader in the Senate, to each Senator and Representative from California in the Congress of the United States, and to the author for appropriate distribution.