



Contact: Ezra Finkin
(202) 861-0825 Ext. 203

FOR RELEASE AUGUST 16, 2005

Coalition urges California Governor to Oppose Cargo Taxes
--Group Urges Governor to Set Priorities and Establish a Blue Ribbon Panel--

[August 16, 2005 – Washington, DC] – In a letter to California Governor Arnold Schwarzenegger, the Waterfront Coalition today urged his opposition to any and all taxes imposed on intermodal shipping containers to fund transportation infrastructure and environmental programs. The Coalition's letter comes in response to a series of proposals offered in the legislature and by private sector groups in recent months to impose fees on international commerce.

"[A] state-imposed tax on international cargo would directly challenge several provisions in the U.S. Constitution, and would, if enacted create a significant new precedent that could seriously disrupt national and international commerce. As a general matter the U.S. Constitution reserves the taxation of commerce, both national and international to the federal government. Therefore these proposals are guaranteed to result in litigation that would take years to resolve and would very likely end up before the U.S. Supreme Court," the coalition stated in its letter signed by Executive Director Robin Lanier.

In lieu of state taxes on foreign commerce, the Coalition urged the Governor to take two important steps. "First, communicate directly and publicly with the President of the United States and the California Congressional delegation urging them to work immediately to develop a national goods movement policy. Second, we urge you to empanel a special state committee composed of state stakeholders, including cargo owners, importers, exporters, citizens and others who will work over a short time frame to develop a prioritized list of goods movement initiatives and projects that are critical to the State of California. Once the priorities are identified, we urge you to help bring stakeholders together to determine the best means of financing from available resources (local, state, federal and private) to make each of these projects a reality," the coalition wrote in its letter.

(more)

“We contacted the Governor to drive home the point that container taxes will not raise a nickel of money for important infrastructure projects,” Robin Lanier, Executive Director of the Waterfront Coalition comment with respect to the letter the Coalition has just sent. “These tax proposals violate provisions of the U.S. Constitution. They will end up being litigated for years. We believe its time to roll up our sleeves, identify the most important projects, find local, state and private funds for them, and then work to establish a national goods movement policy and possibly some discretionary funding for intermodal projects at the federal level. State taxation of international commerce just isn't going to fly.”

A copy of the final letter is available at the Waterfront Coalition's webpage located at www.portmod.org.

#####

The Waterfront Coalition is a group of concerned business interests representing shippers (importers and exporters), transportation providers, and others in the transportation supply chain committed to educating policy makers and the public about the economic importance of U.S. ports and foreign trade, and to promote the most efficient and technologically advanced ports for the twenty-first century.