



March 28, 2017

The Honorable Dr. William A. Burke
Chairman
Governing Board
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

RE: Proposed Container Tax Opposition

Dear Dr. Burke,

Attached is a letter expressing concern and opposition to the multiple container tax proposals put forth by the South Coast Air Quality Management District in February and March of this year. Please let me know if you have any questions. I would be happy to help facilitate further discussion if interested.

Sincerely,

John R. McLaurin
President
Pacific Merchant Shipping Association

Enclosure

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The Honorable Dr. William A. Burke
Chairman
Governing Board
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

RE: Proposed Container Tax Opposition

Dear Dr. Burke:

On behalf of the undersigned organizations representing manufacturers, farmers and agribusinesses, wholesalers, retailers, importers, exporters, distributors, medical product distributors, and transportation and logistics providers, we are writing to express our opposition to the container tax proposals advocated by the South Coast Air Quality Management District (SCAQMD).

It is our understanding that the SCAQMD has proposed two container tax proposals this year – one for \$35 per TEU which was presented to legislators in Sacramento earlier this year as part of an effort to raise \$385 million per year and a \$100 per TEU tax which was recommended by the SCAQMD Legislative Committee, which will reportedly raise \$1.1 billion per year. How these funds will be collected and what programs they would fund are ill defined and any analysis on how such fees would impact local businesses and California's ports as trade gateways is nonexistent.

It is our strong belief that the container tax proposals sought by the SCAQMD present significant legal issues and were drafted without any consideration as to the impact that the tax would have on jobs or port competitiveness. The lack of analysis and lack of outreach to the trade community is troubling and discouraging. Past efforts have repeatedly failed due to the serious economic injury such a tax would cause California. It is for these reasons that we urge you to reconsider your position and efforts in Sacramento to implement a container tax.

Sincerely,

Agriculture and Commodities Transportation Coalition
Agricultural Retailers Association
Airforwarders Association
Almond Alliance of California
American Apparel and Footwear Association (AAFA)
American Chemistry Council
American Coatings Association
American Home Furnishings Alliance
American Import Shippers Association

American Pyrotechnics Association
Association of California Recycling Industries
Association of Food Industries
Association of Global Automakers, Inc.
Auto Care Association
California Business Properties Association
California Fresh Fruit Association
California Chamber of Commerce
California League of Food Processors
California Railroad Industry
California Retailers Association
CAWA – Representing the Automotive Parts Industry
Coalition of New England Companies for Trade
Coalition for Responsible Transportation
Columbia River Customs Brokers and Forwarders Association
Consumer Technology Association
Customs Brokers and Freight Forwarders Association of Washington State
Fashion Accessories Shippers Association (FASA)
Footwear Distributors and Retailers of America (FDRA)
Foreign Trade Association
Furniture Shippers Association
FuturePorts
Gemini Shippers Association
Global Cold Chain Alliance
Green Coffee Association
Harbor Association of Industry and Commerce
Harbor Trucking Association
Home Furnishings Association
Institute of Makers of Explosives
Intermodal Motor Carriers Conference
International Association of Movers
International Association of Refrigerated Warehouses
International Refrigerated Transportation Association
International Wood Products Association
Juvenile Products Manufacturers Association
Long Beach Chamber of Commerce
Los Angeles Chamber of Commerce
Los Angeles Customs Brokers and Forwarders Association
Meat Import Council of America
Midwest Shippers Association
Motor & Equipment Manufacturers Association
National Association of Beverage Importers
National Association of Egg Farmers
National Association of Manufacturers
National Chicken Council
National Council of Farmer Cooperatives

National Customs Brokers and Forwarders Association of America
National Federation of Independent Business
National Grain and Feed Association
National Onion Association
National Pork Producers Council
National Retail Federation
National Shippers Strategic Transportation Council
National Waste and Recycling Association
New Jersey Motor Truck Association
New York/New Jersey Foreign Freight Forwarders and Brokers Association
North American Meat Institute
North American Shippers Association, Inc.
Northwest Food Processors Association
Outdoor Industry Association
Pacific Coast Council of Customs Brokers and Freight Forwarders
Pacific Merchant Shipping Association
Promotional Products Association International
Propeller Club of the Port of Los Angeles – Long Beach
Redondo Beach Chamber of Commerce
Retail Industry Leaders Association
San Diego Customs Brokers and Forwarders Association
South Bay Association of Chambers of Commerce
Specialized Furniture Carriers
Tea Association of the U.S.A., Inc.
The Hardwood Federation
The Institute of Scrap Recycling Industries, Inc.
The National Industrial Transportation League
Torrance Area Chamber of Commerce
Transportation Intermediaries Association
Travel Goods Association (TGA)
United Fresh Produce Association
U.S. Forage Export Council
U.S. Hide, Skin and Leather Association
US Meat Export Federation
United States Fashion Industry Association
United States Shippers Association
USA Poultry and Egg Export Council
Washington Retail Association
Washington State Hay Growers Association
Washington State Potato Commission
Washington Trucking Association
Western Growers Association
Wilmington Chamber of Commerce

Cc: Wayne Nastri