

SARAH PALIN
GOVERNOR

GOVERNOR@GOV.STATE.AK.US



P.O. Box 110001
JUNEAU, ALASKA 99811-0001
(907) 465-3500
FAX (907) 465-3532
WWW.GOV.STATE.AK.US

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

August 28, 2008

The Honorable Arnold Schwarzenegger
Governor of the State of California
State Capitol
Sacramento, CA 95814

Dear Governor Schwarzenegger:

I am writing to join Governor Lingle of Hawaii in urging you not to sign Senate Bill 974. This legislation would impose a \$30 fee per 20 foot equivalent for shipping containers. (Many shipping containers are 40 feet long, so the fee or tax would double to \$60.) As I understand it, the fee would apply to all shipping containers processed through the main ports in California (Long Beach, Los Angeles and Oakland).

I have previously written to Governor Gregoire of Washington in opposition to a similar container tax the Washington Legislature considered in 2007. The Alaska Legislature also passed a resolution opposing that bill. I have enclosed a copy of that resolution.

Enactment of Senate Bill 974 will have negative impacts on both Alaska and California. For Alaskans, a very large percentage of goods (90 percent or more) shipped to Alaska arrive as marine cargo in a container. Many communities lack road access and depend entirely on the shipment of goods by container. Shipping costs have increased significantly with the rising price of fuel and these higher costs are quickly passed onto Alaskans. This tax makes the situation worse.

Similarly, the tax may harm California by driving port business away from its ports. New port developments such as the one in Prince Rupert, B.C., Canada, could become attractive to shippers.

I respectfully request due consideration be given to our state and that you not sign Senate Bill 974.

Sincerely,

A handwritten signature in black ink that reads "Sarah Palin". The signature is fluid and cursive, with a large loop at the end.

Sarah Palin
Governor

Enclosure

STATE OF ALASKA
THE LEGISLATURE

2007

Source
CSHJR 8(L&C) am

Legislative
Resolve No.
1



Opposing the enactment by the Washington State Legislature of a bill proposing to impose a fee on the processing of shipping containers in the State of Washington because of the negative impact of the fee on the people and the economy of this state.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

WHEREAS Washington state has been the primary gateway to this state since before the first gold rush, more than 100 years ago; and

WHEREAS the people of this state continue to depend on ships and barges to move almost all of the necessities of daily life from Washington state; and

WHEREAS many isolated maritime communities that do not have road access depend entirely on marine cargo shipped from Washington state as their lifelines; and

WHEREAS 97 percent by weight and 60 percent of the value of all goods shipped to Alaska are shipped by water; and

WHEREAS most seafood harvested in this state and bound for the lower 48 states is shipped from this state to and through ports in Washington state; and

WHEREAS, during 2003, this state was Puget Sound's fifth largest trading partner,

aside from the aerospace industry, and the economic connection between this state and Washington state was responsible for at least 103,500 jobs and over \$4,000,000,000 in labor earnings; and

WHEREAS Senate Bill 5207, which is pending before the Washington State Legislature, would impose a fee of \$50 for each 20-foot equivalent unit on every cargo container traveling between Washington state and this state; most cargo containers are at least two 20-foot equivalent units and would be subject to a fee of \$100 each time the container leaves Washington state and each time the container returns to that state, regardless of whether the container is empty, partially loaded, or full; and

WHEREAS Senate Bill 5207 would be detrimental to the trading relationship between Washington state and this state; and

WHEREAS, because of this state's unique dependence on ports in Washington state, enactment of Senate Bill 5207 would damage this state's economy and cripple many isolated communities in this state by raising the cost of living by several percent; and

WHEREAS the Alaska State Legislature recognizes that freight congestion in Washington ports is a serious problem; and

WHEREAS congestion in Washington ports can negatively impact the transport of Alaska goods; and

WHEREAS the Alaska State Legislature recognizes that the efficient and economic transport of freight along the west coast is a regional issue that takes a regional solution;

BE IT RESOLVED that the Alaska State Legislature respectfully requests that the Washington State Legislature recognize the negative effect Senate Bill 5207 would have on the trading relationship between Washington state and this state and the economic costs associated with that negative effect to both states; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests that the Washington State Legislature recognize the negative effect Senate Bill 5207 would have on the people and economy of this state, particularly on maritime communities in the southeast part of this state; and be it

FURTHER RESOLVED that the Alaska State Legislature opposes the enactment of Senate Bill 5207 and urges the Washington State Legislature to consider alternative means for raising revenue to be used for the infrastructure of the ports of that state; and be it

FURTHER RESOLVED that the Alaska State Legislature will work with the Washington State Legislature and Washington state to find a mutually beneficial means for the efficient and economic transport of goods between Alaska and Washington; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the attorney general to use the resources of the Department of Law to research the legal issues raised by the tax on shipping containers proposed in Senate Bill 5207; and be it

FURTHER RESOLVED that, if the tax in Senate Bill 5207 is enacted and the facts and law support an action by this state challenging the tax, the Alaska State Legislature urges the attorney general to immediately file a complaint and request for injunction in Federal District Court and in any other forum that could provide relief.

COPIES of this resolution shall be sent to the Honorable Chris Gregoire, Governor of Washington; the Honorable Brad Owen, Lieutenant Governor of Washington; the Washington State Senate; the Washington State House of Representatives; the Honorable Mary Margaret Haugen, Washington State Senator; the Honorable Sarah Palin, Governor of Alaska; the Honorable Sean Parnell, Lieutenant Governor of Alaska; and the Honorable Ted Stevens and the Honorable Lisa Murkowski, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.