



CALIFORNIA'S GLOBAL PORTS

October 2004

➤ **California ports handle one-fifth of all U.S. goods trade.**

In 2003, \$406.5 billion worth of U.S. trade went through California's sea, air, and land ports. Of this total, imports accounted for much more than exports (\$293 billion vs. \$114 billion). Nearly 80 percent of these exports and imports either originated in or were destined for some other state.

➤ **A large amount of U.S. airborne trade goes through California airports.**

LAX and SFO are California's major airports for handling U.S. airborne trade. In 2003, they were the nation's second and third largest airports, respectively, in value of goods processed. In total, California's airports handled \$116 billion in traded goods, or 22 percent of all U.S. air shipments. Imports and exports through California's airports were roughly balanced.

➤ **California's seaports are among the largest in the nation.**

In 2002, 32 percent of U.S. trade, in value of goods, went through California seaports. Imports outpaced exports by five to one. The vast majority of trade is concentrated at the neighboring megaports of Los Angeles and Long Beach, which ranked first and third, respectively, among U.S. seaports in 2003.

➤ **Trade is likely to increase at California seaports but may decrease at its airports.**

Between 2002 and 2020, forecasts predict the value of imports through California seaports will nearly double and the value of exports will almost triple. If trends continue, however, the state's airports may see a decline: The value of U.S. trade through California airports peaked at \$173 billion in 2000. Because of declining technology exports from California and the redirection of many U.S. imports through Alaska, this figure had declined to \$116 billion by 2002. Despite a slight increase in 2003, further decline remains a significant possibility.

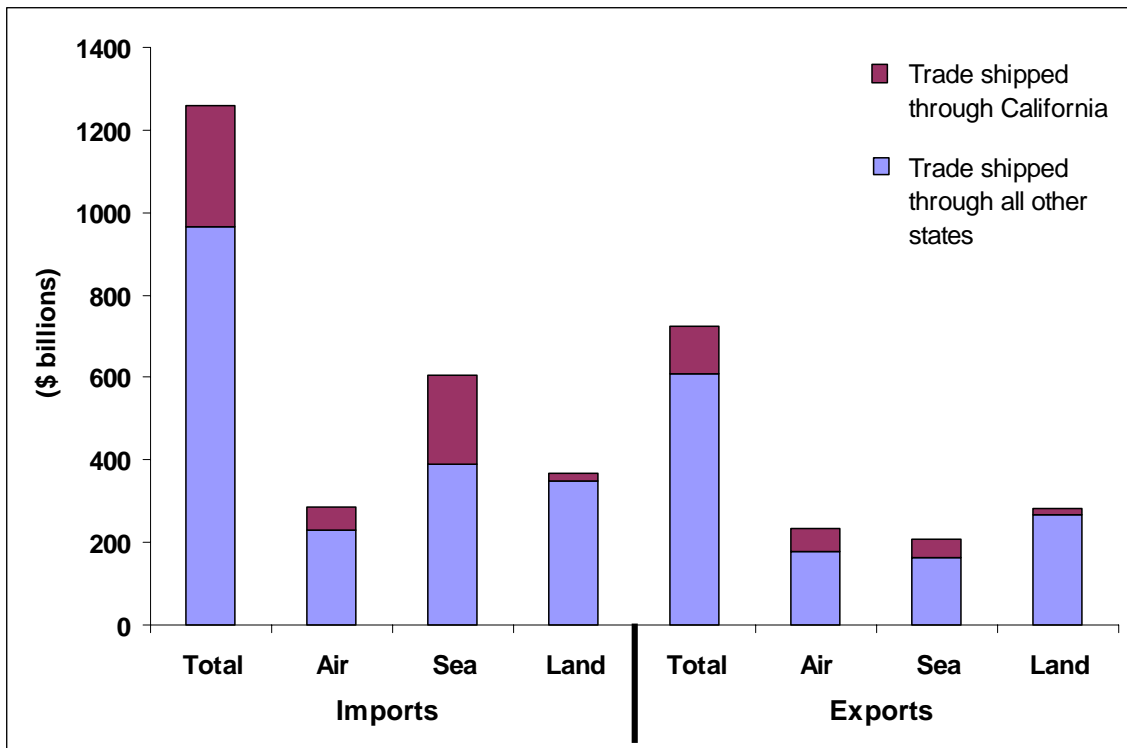
➤ **Pollution from California's seaports creates serious health risks.**

Ships, trucks, trains, and other heavy-lifting equipment all release significant quantities of nitrous oxide and particulate matter. In 1998, the level of pollution for people living near the Los Angeles/Long Beach port complex contributed to a lifetime risk of cancer of 2000 per million, significantly higher than usual regulatory targets.

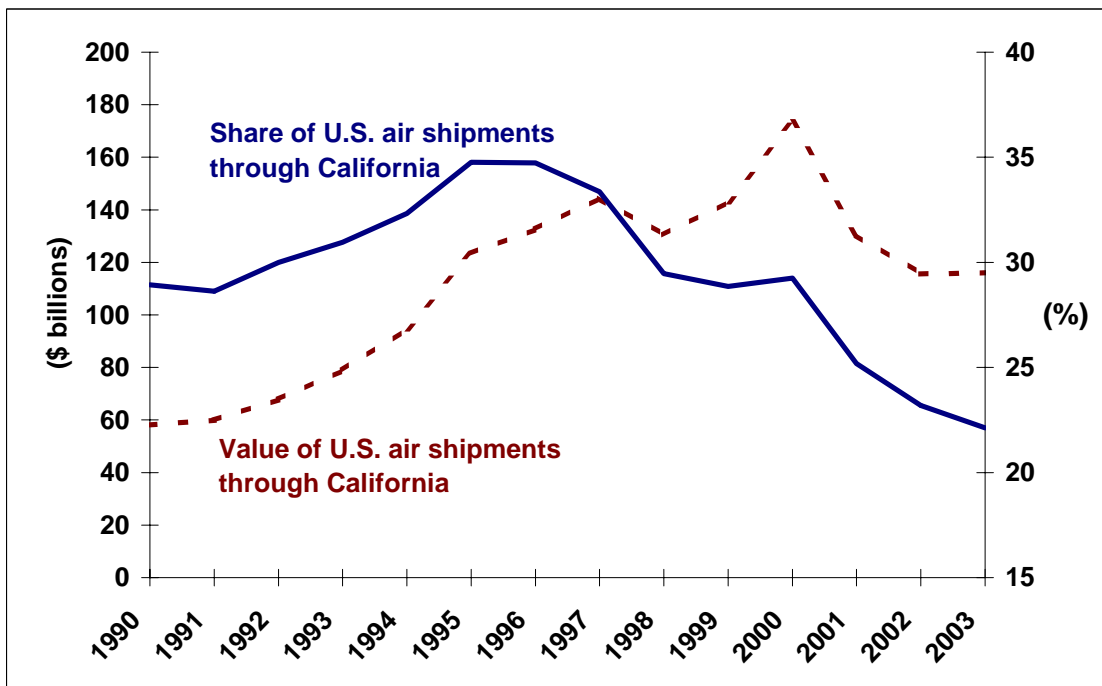
➤ **Funding for security at California seaports is seriously inadequate.**

Before 9/11, security was not a priority at America's seaports. Subsequently, the Department of Homeland Security has mandated security upgrades that will cost California's three major ports more than \$200 million to install. To date, federal grants for these upgrades amount to just over \$51 million.

California Plays an Important Role in Shipping U.S. Imports and Exports



The Future of Air Trade in California Is Uncertain



Source: U.S. Census Bureau, South Coast Air Quality Management District, Public Policy Institute of California.