

June 29, 2007



The Honorable Arnold Schwarzenegger
The Honorable Don Perata
The Honorable Fabian Nunez
The Honorable Dick Ackerman
The Honorable Michael Villines



CALIFORNIA
FORESTRY
ASSOCIATION

Dear Governor Schwarzenegger, Senate President pro Tem Perata, Speaker Nunez, Senate Republican Leader Ackerman and Assembly Republican Leader Villines:

RE: Urgent legislative action is needed to prevent delays and interruptions to vital housing, commercial and public infrastructure projects due to premature and unwarranted environmental lawsuits to implement AB 32 (The Global Warming Solutions Act) and Gubernatorial Executive Order S-3-05.



We are trade groups and companies employing millions of California workers. We are writing with urgency because we are extremely concerned about a problem that is delaying and could even prevent new housing construction, transportation projects, oil refining projects, and other private and public development projects that would benefit the California economy.



Already, several private and public infrastructure projects have been singled out by the California Environmental Quality Act (CEQA) challenges and comments from private groups and the Attorney General. Despite a clearly established timeline for AB 32 implementation, the claim is made that CEQA requires that these projects must immediately satisfy the goals of AB 32 and the Governor's Executive Order 2-3-05. Projects and plans that have been called into question include:



- Sacramento Area Council of Governments Metropolitan Transportation Plan for 2035, Draft Environmental Impact Report. Comments by the Attorney General
- Fresno County Regional Transportation Plan Draft Environmental Impact Report. Comments by the Attorney General
- Kern County Destination 2030 Regional Transportation Plan Draft Environmental Impact Report. Comments by the Attorney General
- City of San Diego General Plan Revisions Draft Environmental Impact Report. Comments by the Attorney General.
- Merced County Regional Transportation Plan, Proposed CEQA Determination. Comments by the Attorney General.
- San Joaquin County Regional Transportation Plan Draft Environmental Impact Report. Comments by the Attorney General.
- City of San Jose Coyote Valley Specific Plan, Draft Environmental Impact Report. Comments by the Attorney General.
- The Shops at Santa Anita, Final environmental Impact Report. Comments by the Center for Biological Diversity
- Yuba County Housing Project. *Challenged by the Attorney General*



California
Business
Properties
Association



CIPA



- Bay Area refinery project to increase gasoline and diesel production by one million gallons. Permit challenged by Attorney General.
- Center For Biological Diversity v. The City of Banning
- Natural Resources Defense Council v. The Reclamation Board of the Resources Agency
- Brown v. The County of San Bernardino



We don't believe that the Legislature and the Governor intended for AB 32 to serve as a roadblock to vitally needed private and public projects that create jobs and economic value for California. There is no provision in AB 32, nor any other statute, regulation, guideline or case law that says CEQA is the appropriate vehicle for addressing climate change concerns. In fact, AB 32 explicitly gave authority to the Air Resources Board and other specified agencies to create a sound program to reduce emissions and protect the economy. Lead agencies under CEQA have been given no such authority, nor do they have the expertise to manage the complexity of the issue. Until rules are enacted under AB 32, it is pure speculation how companies, developers and consumers should be treated under AB 32.

The potential for harm if these challenges are allowed to continue is staggering. The specific projects cited are just the tip of the iceberg. The pace of CEQA challenges has been increasing in recent weeks, and there is little doubt that other vital transportation, water, and flood control projects will be impacted.

The consequences to California's economy, consumers and workers will be severe. Housing prices are already high and out of the price range of many Californians because demand for housing greatly exceeds supply. These challenges have the potential to stop or significantly delay thousands of new homes from being built, leading to higher housing prices. Likewise, stopping or delaying projects to increase transportation fuel supplies could result in higher gasoline prices.

Finally, as leaders in the recent successful effort to fund new public infrastructure projects for California, you are acutely aware of the need for these projects and the consequences to the future of California if they are blocked.

We urge you to take swift action to solve this problem either through a legislative or administrative remedy. We are ready to work with you to find a solution.

Sincerely,

Dominic DiMare
Vice President
California Chamber of Commerce
Technology Association

Dorothy Rothrock
Vice President
California Manufacturers &

Rob Neenan
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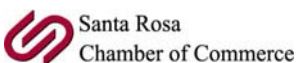
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