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## **First State-of-the-State Delivers Half a Loaf for the Environment**

SACRAMENTO –Governor Gavin Newsom delivered some good news and bad news for California’s environment during his state-of-the-state address on Tuesday.

The governor announced that he does not support the California Water Fix proposal for two giant, 35-mile tunnels to divert water from the San Francisco Bay Delta. However, he declared his support for a single tunnel—an alternative proposal that has not gone through any economic and environmental analysis.

Additionally, the governor announced he would be appointing E. Joaquin Esquivel, a current member of the State Water Resources Control Board, to chair that board. With this appointment, Newsom has chosen to not reappoint noted water policy veteran Felicia Marcus, a recent target of big agricultural interests.

On other topics, the governor said that he has convened a panel of bankruptcy attorneys and other experts to ensure that the state’s and public’s interests—including interests in reducing climate pollution from the electricity sector—are protected as Pacific Gas & Electric goes through the bankruptcy process. “We will never waver on achieving the nation’s most ambitious clean energy goals,” he said.

The governor also reiterated his strong commitment to resolving the housing crisis. And like his predecessor, he took aim at the California Environmental Quality Act, implying that it has been a barrier to housing development despite numerous academic and other studies suggesting otherwise.

The governor committed to completing the high-speed rail project between Merced and Bakersfield, but pulled back on pursuing the full-scale rail project from Los Angeles to San Francisco that has stumbled as cost estimates have continued to escalate dramatically. He also announced the appointment of a new chair to lead the High-Speed Rail Authority, Lenny

Mendonca. Mendonca is a former senior partner at McKinsey & Company, a global management firm and a current economic advisor to Newsom.

**Statement from Kathryn Phillips, Director, Sierra Club California**

“It’s heartening to hear the governor abandon the twin tunnels boondoggle.

“However, we are disappointed that he has removed from the state water board Felicia Marcus, one of the state’s best and most even-handed leaders on water issues.

“We are also disappointed he is committing more resources—time, money, and attention—to a smaller tunnel proposal, rather than fully shifting the state water agencies’ attention to those things we know are needed and will work to build regional resilience: conservation, efficiency, recycling, stormwater capture, dam and reservoir repair and the like.

“It is good to hear the governor clearly commit to protecting the state’s clean energy goals.

“We support the governor’s commitment to resolving the state’s housing crisis, particularly the need for affordable and homeless housing. However, there is no evidence that jabbing at CEQA will produce the results he’s after. It’s more likely that the other routes he is taking—including forcing cities to address their housing obligations—will have the desired impact.

“Attacking CEQA plays well to certain audiences, as Newsom’s predecessor found, but doesn’t really solve the real barriers to more affordable housing. Those barriers include understaffed planning departments, lack of construction labor, high costs of land, crumbling urban infrastructure, and lack of supportive funding for below-market-rate housing.

“CEQA provides Californians with essential information about big projects, how they will affect communities and the environment, and encourages builders to look at cleaner, less environmentally damaging ways to do their projects. It’s a tool that encourages transparency and protects air and water quality so the state doesn’t have to intervene later to clean up pollution.”

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*Sierra Club California is the legislative and regulatory advocacy arm of the 13 Sierra Club chapters in California, representing more than 400,000 members and supporters statewide.*