



UPDATED

April 8, 2022

TO: Members, Assembly Local Government Committee

SUBJECT: AB 2840 (REYES) QUALIFYING LOGISTICS USE PROJECTS HEARING SCHEDULED – APRIL 20, 2022 OPPOSE/JOB KILLER – AS AMENDED ON MARCH 24, 2022

The California Chamber of Commerce and the organizations listed respectfully **OPPOSE AB 2840 (Reyes)**, as amended on March 24, 2022, which the CalChamber has labeled as a **JOB KILLER**. The bill seeks to ban any new or expansion of existing warehouses and development projects 100,000 square feet or more if proposed within 1,000 feet of sensitive receptors. Additionally, the bill requires that any qualifying logistics projects that are not outright banned use only a skilled and trained workforce and reserve an unspecified percentage of jobs for local residents, irrespective of whether that labor force is available or affordable. **AB 2840** strips all local governments across California of their zoning and land use authority, ignores California's robust environmental laws and regulations applicable to this type of development and exacerbates existing supply chain problems and rising inflation plaguing California by making it harder and more expensive to develop these types of projects.

Inconsistent With Governor's Executive Order Addressing Supply Chain Backlogs

Last year amid unprecedented global disruptions to the goods movement supply chain, Governor Gavin Newsom signed Executive Order N-19-21 to alleviate congestion at California ports and ease supply chain issues. Specifically, the Executive Order highlighted that shipping container dwell times and street dwell times for containers were more than double the normal average due to bottlenecks further downstream in the supply chain, including insufficient warehouses to undock cargo. **AB 2840** is inconsistent with the Governor's Executive order to create short- and long-term solutions to the supply chain problem by depriving local governments of their land use authority to approve critically needed warehouses and other logistic use projects in their jurisdiction. Local governments are responsive and held most accountable to their local constituents and should retain authority to determine what types of projects and economic development are needed and wanted in their community, where best to site them and how to ensure mitigation measures if needed are appropriately implemented.

Banning Important Development More Extreme Than California Environmental Quality Act (CEQA)

AB 2840 is an extreme policy that casts aside CEQA, one of the most protective environmental laws in the nation, and all other environmental laws and regulations in California that ensure responsible development, in favor of a wholesale development ban. Existing laws and regulations already require qualifying logistics use projects and warehouses to comply with a plethora of applicable local, state and federal environmental laws, such as the Porter-Cologne Water Quality Control Act, the Clean Water Act, the Clean Air Act, CARB and Regional AQMD rules and regulations, uniform building codes, fire codes, and of course CEQA, which ensures any potential impacts like increased traffic, noise or air impacts are fully disclosed and mitigated.

In other words, existing law already forces new projects or the expansion of an existing facility to undergo the most rigorous environmental analysis and mitigation measures in the country. It is why developing in California, whether it is a housing or a warehouse project, is one of the most difficult places in the country to build in. **AB 2840** creates arbitrary "ban zones" throughout California without any consideration for the specific project and its actual impacts on the communities.

A One-Size Fits All Statewide Labor Mandate Quashes Development

Section 65098 (c) of the bill forces a uniform, statewide "skilled and trained" mandate onto all private logistic use projects not banned under the other provisions of the bill. The proposed policy is not justifiable as it imposes a significant burden on private projects despite the lack of any nexus between the project and the use of state funds. Whether a proposed project utilizes skilled and trained workers, or hires locally, is an issue that should be negotiated at the local level.

Incongruent with Southern California's New Indirect Source Rule for Warehousing Operations

AB 2840 is incongruent with the most substantial rulemaking related to the siting and operation of warehouses in Southern California. Just last year, the South Coast Air Quality Management District (SCAQMD) [adopted Rules 2305 and 316](#), which for the first time began regulating warehouses greater than or equal to 100,000 square feet, which is the exact size this bill intends to ban, as "indirect" sources of emissions. SCAQMD created the Warehouse Actions and Investments to Reduce Emissions (WAIRE) program to levy fees on warehouse owners in order to reduce NOx, DPM and carbon emissions, and increase visits from zero- and near-zero emissions (ZE and NZE) trucks to warehouses. The WAIRE

program provides a menu of implementation measures designed to reduce NOx, DPM and carbon emissions, including acquiring or using zero and near-zero emission trucks, acquiring or using zero emission yard trucks, investing in new on-site equipment, building new charging infrastructure, funding particulate filters, installing solar panels, and installing MERV 16 or greater filters or filtration systems in residences, schools, daycares, hospitals or community centers.

Ignores Existing and Pending California Air Resources Board Regulations

The California Air Resources Board (CARB) adopted in July 2020 the [Advanced Clean Trucks Rule](#), which requires manufacturers of all Class 2b-8 trucks to begin meeting escalating zero emission sales starting in 2024, and by 2035 requires Class 2b-3, Class 7-8, and Class 4-8 trucks to be 55%, 40%, and 75% zero emission by 2035. Governor Newsom's Executive Order N-79-20 requires CARB to continue that rulemaking, making 100% of all trucks and buses zero emission by 2045 everywhere feasible, and for all drayage trucks to be zero emission by 2035.

In addition, CARB is conducting workshops anticipating the introduction of the [Advanced Clean Fleets Rule](#) by the end of this year, which will require that large public and private fleets be 100% zero emission by 2035. Under that rule, CARB plans to ban the registration of any new non-zero emission vehicle from California's ports and intermodal railyards after 2023. CARB is also developing the [Transportation Refrigeration Unit Rule](#) to address cold storage trucks.

AB 2840 undermines the public process underway at CARB, where, as directed by Governor Newsom in Executive Order N-79-20 and other executive orders, stakeholders are evaluating where it is feasible to electrify trucks, buses, and equipment. This bill would instead ban warehouses throughout California irrespective of any environmental mitigation, electrification or technological investments made to use low or zero-emission equipment on-site.

For all these reasons, we must respectfully **OPPOSE AB 2840 (Reyes)** as a **JOB KILLER**.

Sincerely,



Adam Regele
Senior Policy Advocate
California Chamber of Commerce

On behalf of the following organizations:

African American Farmers of California, Will Scott, Jr.
Agricultural Council of California, Tricia Geringer
American Chemistry Council, Tim Shestek
Brea Chamber of Commerce, Lacy Schoen
Building Owners and Managers Association of California, Matthew Hargrove
California Beer and Beverage Distributors, Victoria Horton
California Builders Alliance, Damon Conklin
California Building Industry Association, Nick Cammarota
California Business Properties Association, Matthew Hargrove
California Business Roundtable, Natalie Boust
California Cotton Ginners and Growers Association, Roger Isom
California Farm Bureau, Taylor Roschen
California Fresh Fruit Association, Ian LeMay
California Grocers Association, Kelly Ash
California League of Food Producers, Trudi Hughes
California Manufacturers & Technology Association, Dawn Koepke
California Railroads, (BNSF Railway Co./Juan Acosta; Union Pacific Railroad Co./Francisco Castillo, Jr.)
California Retailers Association, Steve McCarthy
California Trucking Association, Chris Shimoda

California Walnut Commission, Pamela Graviet
Carlsbad Chamber of Commerce, Bret Schanzenbach
Carson Dominguez Employers Alliance, Trini Jimenez
Corona Chamber of Commerce, Bobby Spiegel
El Dorado County Chamber of Commerce, David Butler
El Dorado Hills Chamber of Commerce, David Butler
Elk Grove Chamber of Commerce, David Butler
EMA Truck & Engine Manufacturers Association, Tim Blubaugh
Far West Equipment Dealers Association, Joani Woelfel
Folsom Chamber of Commerce, David Butler
Fresno Chamber of Commerce, Scott Miller
FuturePorts, Marnie Primmer
Glendora Chamber of Commerce, Joe Cina
Greater High Desert Chamber of Commerce, Mark Creffield
Greater Riverside Chambers of Commerce, Cindy Roth
Grower-Shipper Association of Central California, Christopher Valadez
Innovating Commerce Serving Communities, Matthew Hargrove
La Cañada Flintridge Chamber of Commerce and Community Association, Pat Anderson
Laguna Niguel Chamber of Commerce, Scott Alevy
Lincoln Area Chamber of Commerce, David Butler
Lodi Chamber of Commerce, Robert Patrick
Long Beach Area Chamber of Commerce, Jeremy Harris
NAIOP of California, Matthew Hargrove
Newport Beach Chamber of Commerce, Steve Rosansky
Nisei Farmers League, Manuel Cunha, Jr.
Orange County Business Council, Jennifer Ward
Rancho Cordova Area Chamber of Commerce, David Butler
Rocklin Area Chamber of Commerce, David Butler
Roseville Area Chamber of Commerce, David Butler
Sacramento Regional Builders Exchange, Tim Murphy
San Mateo Area Chamber of Commerce, Cheryl Angeles
Santa Barbara South Coast Chamber of Commerce, Dustin Hoiseth
Santa Clarita Valley Chamber of Commerce, Ivan Volschenk
Short Line Railroad Association, Kennan H. Beard III
Specialty Equipment Market Association (SEMA), Christian Robinson
Torrance Area Chamber of Commerce, Donna Duperron
Tulare Chamber of Commerce, Donnette Silva Carter, IOM
United Chamber Advocacy Network, David Butler
Ventura Chamber of Commerce, Stephanie Caldwell
West Ventura County Business Alliance, Nancy Lindholm
Western Agricultural Processors Association, Roger Isom
Western Growers Association, Gail Delihant
Western Independent Refiners Association, Craig Moyer
Western Plant Health Association, Renee Pinel
Western Propane Gas Association, Joy Alafia
Western States Petroleum Association, Paul Deiro
Western Wood Preservers Institute, Dallin Brooks
Yuba Sutter Chamber of Commerce, David Butler

cc: Legislative Affairs, Office of the Governor
Mark Farouk, Office of Assemblymember Reyes
Consultant, Assembly Local Government Committee
William Weber, Consultant, Assembly Republican Caucus