

Assembly Member **JARED HUFFMAN**

News Release

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Assemblymember Huffman Responds to Governor's 2010-11 Budget

Slams proposals to expand oil drilling, reorganize the State's recycling program and relax environmental review

Assemblymember Jared Huffman (D-San Rafael), Chair of the Assembly Water, Parks and Wildlife Committee and co-chair of the Legislative Environmental Caucus issued the following statement after Governor Schwarzenegger released his 2010-11 budget proposal:

With respect to the Governor's suggestion to expand oil drilling to fund state parks, Huffman declared, "The Governor's cynical proposal to shut-down our world-class state parks system unless we open up the California coast to new oil drilling is tantamount to blackmail, and it will not succeed. There are other credible options for keeping our parks open, including charging royalties or surcharges to those who *already* extract oil from state lands. Instead of opening up our pristine coast to new drilling, we should require those who currently drill to pay a modest tax – just like they do in Alaska, Texas, Louisiana, and every other oil producing state. If the Governor is serious about funding our parks, and not just padding the profit margins of the oil industry, he will work with us on this obvious solution. The Governor's proposal to replace General Fund support for State Parks with offshore oil revenue from Tranquillon Ridge should be summarily rejected by the Legislature for the following reasons:

- The Governor promised this summer when he relented on his proposal to close state parks that he would restore funding to state parks this year. This proposal does not honor the spirit of that commitment, but instead is a Machiavellian attempt to force Californians to make an unnecessary choice between protecting state parks and protecting California's coasts and ocean.
- Linking the future of California's state parks to a controversial proposal to reopen offshore oil drilling does not provide the long-term stability and sustainability that is needed to support our parks both now and in the future.
- The Governor claims the Tranquillon Ridge project would raise \$1.8 billion in oil lease revenues for the state over 14 years. A much better alternative, that would produce dramatically more revenue and without any additional risk of oil spill contamination, is contained in a measure authored by Assembly Member Nava, AB 1604, and co-authored by me. AB 1604 would impose a severance tax on every barrel of oil produced in the state with some limited exemptions for local government operations. The oil severance tax in AB 1604 would raise \$1.5 billion per year for the state's General Fund, helping to support not only parks, which currently receive General Fund dollars, but also education and health and human services.

The Assemblyman also criticized the Governor's proposal for reorganizing the state's recycling program which eliminates local conservation corps role and fails to restore the fund while giving subsidies to industry. Last year the Integrated Waste Management Board was abolished and responsibilities for managing the state's recycling program transferred to the Department of Conservation. The Governor's budget proposal reflects this change, but creates new problems including:

- The Governor proposes to put back about \$150 million in loans made from the state's recycling fund to other state programs. This proposal still leaves a balance of over \$400 million owed to the fund.

- The Governor proposes that the recycling fund should pay over \$150 million in subsidies to the beverage industry for no environmental benefit while shifting responsibility for recycling costs of individual containers from the container manufacturers to California consumers.
- Finally, the Governor proposes to eliminate core components of California's recycling program. Since the state's recycling program began, local conservation corps in most communities throughout California have hired at-risk youth to collect and recycle bottles and cans to keep communities clean. The Governor's proposal unacceptably eliminates this program, putting thousands of at-risk youth back on the street and leaving communities without their vital recycling services.

Huffman also expressed grave concern with the Governor's proposal to exempt unidentified major construction projects from environmental laws without regard to what the environmental impacts may be. These concerns include:

- While the Governor is to be commended for placing a priority on jobs creation, jobs should not and need not come at the cost of environmental destruction or loss of air and water quality for California residents. The state should be focusing on the creation of green jobs that provide economic growth while also protecting California's environment and quality of life.
- The Governor proposes to exempt 20 yet-to-be-identified major construction projects from court review for compliance with the California Environmental Quality Act. A lead agency's certification of an environmental impact report (EIR) would be exempt from court review, regardless of its adequacy and regardless of the environmental impact.
- The proposal gives the Business, Transportation and Housing Agency (B,T&H) carte blanche to select the projects that would qualify for the exemption, based solely on the lead agency's expectation of whether an EIR for the project will be certified within 12 months, and the location of the projects within air quality districts.
- B,T&H would be required to hold one public hearing, but the decision of whether to exempt the projects would be left solely to B,T&H, without regard to input from any environmental agencies.

In summation, the Governor cannot in good conscience claim to support environmental causes while cavalierly opening California's pristine coastline to more oil drilling, hijacking funds from the recycling program for non-environmental causes or loosening up environmental review in the name of job promotion; and for these reasons we must push back and reject these ill-advised schemes," Huffman concluded.

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