



April 10, 2017

The Honorable Cecilia Aguiar-Curry
California State Assembly
State Capitol, Room 5144
Sacramento, California 95814

RE: AB 1066 (Aguiar-Curry). Public Works: Definition. (As Introduced February 16, 2017)
OPPOSE UNLESS AMENDED

Dear Assembly Member Aguiar-Curry:

Calforests and the California Chamber of Commerce regretfully have a position of oppose unless amended on AB 1066, which would expand the definition of “demolition” under public works projects to include tree removal. The bill’s impact would result in prevailing wage for tree removal. While we support the author’s intent to keep jobs local, particularly in rural communities where even the smallest number of jobs represents a greater percentage of the workforce than urban areas, this bill would negatively impact rural counties that have already been disproportionately impacted by the tree mortality crisis.

We have met with the author on this bill and all sides have indicated their willingness to work on a compromise. For our part we would like to provide suggestions to narrow the scope of the bill or offer an alternative bill proposal to assist the counties under the Governor’s Emergency Proclamation.

Since the Governor issued the Emergency Proclamation in October of 2015, 10 counties have passed resolutions declaring an emergency. However, in order to access state emergency funding, counties are required to provide a portion of money as a matching fund requirement. To date, only one of those counties has been able to meet their matching fund requirement. The one county that was able to meet the matching fund requirement has used up their General Fund in order to address this situation. Adding the increased cost of prevailing wages to critical work that needs to be done in these counties only adds to their financial burdens.

We are concerned that the bill as written would trigger prevailing wages in all of the following scenarios including State Responsibility Area (SRA) funding which helps locals with fire prevention activities including tree removal, Forest Improvement Program (CFIP) which helps small landowners with forest improvement grants, and restoration grants from the state which could include tree removal. From the forest and timber industry perspective, AB 1066 creates additional potential problems as much of the trees being removed are unhealthy or dead and the only place to take them in many instances is to a biomass facility. Biomass is a struggling industry with plants closing across California over the last few years. Prevailing wage would result in the increase in costs for biomass as well.

In addition, lumber is a commodity. Lumber from California sits on the shelf next to lumber from Oregon or Canada and regardless of the increased costs of doing business in California, California can’t compete with outside lumber by charging more because we needed to pay prevailing wage. This bill would put California producers of lumber at a disadvantage because of increased costs and no ability to increase prices.

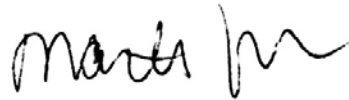
We are requesting amendments that would resolve our concerns by either narrowing the scope of this bill to state contracts, clarifying that this would apply to construction/demolition projects that also require tree removal, exclude timberlands from this expansion, clarify this is for urban settings, or specify this is for wildfire restoration efforts. There are a variety of amendments that would address our concerns.

For the reasons listed above, we have taken a position of oppose unless amended on AB 1066. If you have any questions regarding this matter, please do not hesitate to contact either Marti Fisher with the California Chamber of Commerce or Kirstin Kolpitcke with Calforests.

Sincerely,



Kirstin Kolpitcke
Vice-President Legislative Affairs
Calforests



Marti Fisher
Policy Advocate
California Chamber of Commerce



Jay Fazio, President
California Licensed Foresters Association



Hardie Tatum, President
Associated California Loggers



Noelle Cremers
California Farm Bureau Federation

cc: Members, Assembly Appropriations Committee
Like Reidenbach, Consultant Assembly Appropriations Committee
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