



CEQA: A GOOD LAW IN NEED OF REFORM.

Palmdale Rail Car Manufacturing Plant ‘Derailed’ Using CEQA for Non-Environmental Reasons

In an effort to reduce greenhouse gas (GHG) emissions, Los Angeles County has been working since 2012 to expand their public transportation capabilities by extending the Expo Light Rail line from Culver City to Santa Monica. This line will reduce travel time to Downtown LA for commuters to 46 minutes, as well as take cars off of the I-10 during peak traffic hours in order to ease congestion and shorten drive times. This project is slated to be completed in summer of 2015 and operational early 2016.

Kinkisharyo, a Japanese railcar manufacturer based in El Segundo, has had a contract with the Los Angeles County Metropolitan Transportation Authority since 2012 to build railcars for the Expo line extension. Their proposed new manufacturing plant, approved by the Palmdale city Planning Commission, would be used to build 97 of the contracted 175 rail cars for Metro as well as any orders from other U.S. customers. The level of GHG emissions of a Kinkisharyo railcar are about 1/9 of the GHG emissions given off by a car.

This \$50 million dollar manufacturing investment would provide 250 well-paid, manufacturing jobs to the Antelope Valley region with an unemployment rate ranging from 9.7%- 11.1%, well above the statewide average of 7.3%. This job number doesn't include the work created for the construction industry that the building process of the manufacturing plant would bring. Even given all of the environmental and economic benefits this manufacturing site would bring, the company decided not to build the new plant in Palmdale.

Groups attempting to force the rail car manufacturer to use an easier process for unions to organize their workforce filed a CEQA lawsuit as leverage in an attempt to put pressure on the company to give in to their demands.

Fearing the uncertainty and delays from the CEQA litigation, the Kinkisharyo Company decided to expand their operations in existing facilities in LA rather than build the new manufacturing plant in Palmdale. The company also agreed to a deal with the union to allow them to organize using sign-ups. This arrangement cost hundreds of construction jobs and robbed the Antelope Valley of desperately needed employment.

COST OF CEQA MISUSE:

- Hundreds of construction jobs and material sales
- Loss of \$50 million investment in a new, permanent manufacturing plant

About this series:

The California Environmental Quality Act (CEQA) is an important environmental law. However, today's CEQA is too often misused to stop or delay projects that comply with all applicable environmental laws and standards. "CEQA: A Good Law In Need of Reform" will call attention to the many examples of CEQA misuses, and the consequences on vital projects, our environment and our economy. Visit www.CEQAWorkingGroup.com for more case studies or information about efforts to modernize CEQA.



Protect the environment. Improve the economy.

www.CEQAWorkingGroup.com

Regardless of one's perspective on unions – and we happen to believe unions serve a purpose and can provide great value to workers – we think everyone can agree that this is a wholly inappropriate use of CEQA, an environmental planning law.