

Antelope Valley Air Quality Management District  
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Eldon Heaston, Executive Director

October 21, 2014

The Honorable Edmund G. Brown, Jr.  
Governor of California  
c/o State Capitol, Suite 1173  
Sacramento, CA 95814

Dear Governor Brown,

As you are no doubt aware, Kinkisharyo International has recently indicated that it is unable to proceed with the development of a light rail car manufacturing facility to be located in the City of Palmdale (City) due to a potential California Environmental Quality Act (CEQA) challenge. The Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) urges you to intervene in this matter to facilitate a resolution between Kinkisharyo and the local union backers of the potential challenge to ensure that this project can move forward in an expeditious fashion. Time is critical.

After an extended site selection, Kinkisharyo proposed to invest over \$60 million to build a 427,507 square foot manufacturing and assembly facility in Palmdale. The project will create hundreds of temporary construction jobs, as well as creating 300 permanent high-paying manufacturing jobs. Unfortunately the local union threatened a CEQA challenge that derailed the new construction.

In an attempt to stay in California, Kinkisharyo proposed to renovate an existing hangar in Palmdale currently being used as the assembly site. Again, a CEQA challenge to the construction of a single paint booth was threatened in order to halt the project. This has forced Kinkisharyo to look to an out of state site due to pressing contractual deadlines.

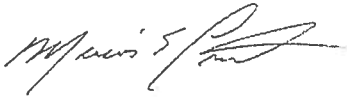
The AVAQMD is the local air quality agency within the desert portion of Los Angeles County, which includes the Cities of Lancaster and Palmdale. Over 65% of the emissions inventory in the area is generated by mobile sources. Many of these mobile emissions are created by the commute patterns of area residents as they make their way to jobs within the South Coast Air Basin. Locating jobs such as those provided by a new Kinkisharyo facility within the Antelope Valley would help reduce pollution by reducing overall vehicle miles traveled as workers commute mileage and time decreases. This doesn't even take into account indirect reductions as subsidiary businesses increase their local employees to support a new high tech manufacturing operation.

In addition, the location of a light rail car manufacturing facility within close proximity to the intended customer has other air related benefits. Specifically, moving partially assembled rail cars long distances will require the consumption of a large amount of fossil fuels substantially increasing the carbon footprint of what should be a major "green" project. Given California's commitment to lowering the emissions of greenhouse gasses, of which the Metropolitan Transportation Authority rail car upgrades are a part, it seems counterintuitive to have the construction of such rail cars occur outside the area of use.

The AVAQMD Board is concerned about the use of the CEQA process for non-environmental purposes. What should be a valuable tool for the review of potential environmental effects of a proposed project has instead been turned into a method to delay decisions so that particular groups can extort concessions from the proponent, in this case a job creator. As far as air quality is concerned, the AVAQMD is certain that the environmental impacts of the proposed Kinkisharyo facility will be well within the parameters allowed by law and air district rules. A dust control plan will be required for the construction of the proposed facility. All air pollution emitting equipment will be required to obtain permits, complete with requirements for best available control technology. Compliance with air district rules will ensure that the potential air pollution impacts of such a facility will be minimal.

In conclusion, the Governing Board of the AVAQMD is requesting your intervention to help negotiate a resolution of the issues involved which will allow Kinkisharyo International to locate its facility at their selected site within the Antelope Valley.

Sincerely,



Marvin Crist  
Chairman  
Antelope Valley AQMD

cc: Kish Rajan, Director, Governor's Office of Business and Economic Development