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**September 20, 2023**

**Transmitted via electronic transmission**

Governor Gavin Newsom  
California State Capitol  
1021 O Street, Suite 9000  
Sacramento, CA 95814

**Transmitted via email: [Leg.Unit@gov.ca.gov](mailto:Leg.Unit@gov.ca.gov)**

**RE: Assembly Bill 338 (Aguiar-Curry)**

Dear Governor Newsom:

On behalf of the Mountain Counties Water Resources Association (MCWRA), we write to respectfully request your veto of Assembly Bill 338 (Aguiar-Curry), relating to public works. Despite numerous attempts by MCWRA and a large coalition of others to engage in meaningful discussions with the author's staff, none of MCWRA's substantive concerns have been addressed regarding the impacts of this bill on the fledgling forest management industry.

AB 338 seeks to expand the definition of "public works" to include fuel reduction work paid for in whole or in part out of public funds performed as part of a fire mitigation project, including, but not limited to, residential chipping, rural road fuel breaks, fire breaks, and vegetation management.

The last-minute amendments that were introduced and adopted did not address MCWRA's concerns. AB 338 would inhibit the needed growth,

pace, and scale of forest management work that needs to be conducted in California and interfere with small communities' ability to complete timely fire mitigation projects to safeguard residents and infrastructure or retain local workforce.

MCWRA worked in good faith to provide alternative paths forward that would both achieve the author's intent and avoid disrupting the crucial work being done on our forested lands. These paths were not considered.

AB 338 runs contrary to the goals and objectives outlined in California's Wildfire and Forest Resilience Action Plan, which state "bolder action is required to address the key drivers of catastrophic fires, significantly increase the pace and scale of forest management, and improve the resilience of increasingly threatened communities." Instead, AB 338 would slow and substantially increase the costs of fuel reduction projects – particularly for rural and disadvantaged communities with limited workforces. Fire mitigation projects are critical to creating defensible space and supporting efforts to keep rural communities safe from the ever-increasing fire risks.

Moreover, this legislation is extremely detrimental to restarting the forest products industry, a necessary step to properly addressing vegetation management and its byproducts. This progression into the labor market would set a concerning precedent, promoting the same approach and results toward rising labor costs to be taken in other forest and related industry sectors. Enacting this type of legislation will have the unintended consequences of stifling innovation, economic investment, and competition in a developing industry that needs flexibility and fewer restrictions to promote advancement – further impacting California's rural and disadvantaged communities.

In addition, MCWRA is concerned that treating this type of fire mitigation work as "public works" will subject this important work to a regulatory regime that may act as barrier to local and small businesses competing for, and performing, these projects. The various requirements associated with being a "public works" contractor, such as registration with the Department of Industrial Relations and maintaining and submitting certified payroll records, may effectively preclude the local mountain counties workforce from being considered qualified to perform fire mitigation projects moving forward. This will in turn further impact rural and disadvantaged communities and reduce the pool of businesses that are available to perform these projects.

We support policies that would bring high-quality, good paying jobs to rural areas; however, without meaningful and dedicated resources from the state, the financial impacts the legislation imposes will significantly reduce the ability to achieve our shared goals of effectively managing forested lands and preventing wildfire.

We ask for your veto as it remains premature and counter-productive to introduce additional barriers to implementation of fire mitigation projects in communities that desperately need these projects to advance at an accelerated pace and scale. Should you have any questions about our position, please feel free to contact Justin Caporusso, Executive Director at (916) 412-0571.

Thank you for your time and consideration.

Sincerely,



Scott Ratterman, President  
Mountain Counties Water Resources Association