



June 25, 2026

TO: The Honorable Catherine Blakespear
Chair, Senate Environmental Quality Committee
1021 O Street, Room 3230
Sacramento, CA 95814

FR: California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Railroads
California Retailers Association

California Manufacturers & Technology Association
NAIOP California
Insight Terminal Solutions
Western States Petroleum Association

RE: *AB 40 (Bonta) – Goods Movement EIR – OPPOSE*

The above organizations write in respectful opposition to AB 40, which would create a new mandatory environmental impact report requirement for large coal handling, storage, or export projects.

California is home to America's largest economy. A key part of that success is the state's interconnected transportation network, including ports, rail, trucking, logistics facilities, warehouses, and industrial properties that move goods throughout California, the nation, and international markets.

Although AB 40 is framed around coal handling, storage, and export, its impacts could reach beyond a single commodity or project applicant. By applying to "handling, storage, or export" and to approvals over "any portion" of a covered project, AB 40 could implicate port facilities, bulk terminals, storage sites, transloading operations, rail-served industrial property, and related logistics infrastructure necessary to move goods through the supply chain.

AB 40 would require a mandatory EIR for any new or materially expanded coal handling, storage, or export project with design capacity over 5 million short tons per year when a public agency has discretionary approval over any portion of the project. That "any portion" standard could give local agencies broader leverage over port, freight, and logistics infrastructure approvals, even where the approval is tied to only one component of a larger goods movement project.

This legislation also creates significant uncertainty by prohibiting a lead agency from certifying an EIR if significant air quality impacts are identified unless the project proponent demonstrates enforceable mitigation measures to reduce fine and coarse pollutants to the threshold set by the lead agency. The bill does not identify clear criteria for how that threshold would be set, what geographic

area must be evaluated, or how impacts from related transportation activity would be measured or mitigated.

As drafted, AB 40 could make it nearly impossible to site or expand covered export facilities in California. It could also raise serious concerns for facilities that may already have required approvals or vested property rights in place.

AB 40 also raises serious constitutional and federal preemption concerns. For facilities that may already have secured required approvals or vested development rights, the bill's new restrictions could implicate constitutionally protected property interests and takings concerns. In addition, to the extent AB 40 restricts or conditions rail transportation, or indirectly regulates emissions from mobile sources such as trains, the bill raises serious questions under federal law, including the Interstate Commerce Commission Termination Act and the federal Clean Air Act.

California's goods movement system depends on predictable, neutral, and workable rules for infrastructure investment. AB 40 would instead create a commodity-specific CEQA mandate that could affect ports, freight infrastructure, rail-served industrial property, and the broader supply chain.

For these reasons, we respectfully urge a NO vote on AB 40 (Bonta).

For additional information regarding our position, please contact Skyler Wonnacott, Vice President of Government Relations, California Business Properties Association, 916-960-3951 or swonnacott@cbpa.com.

CC: Senator Rosilicie Ochoa Bogh, Vice Chair, Senate Environmental Equality Committee
Senate Environmental Equality Committee Members
Senate Appropriations Committee Members
Skyler Wonnacott, Vice President of Government Relations – CBPA
Audrey Ratajczak, Cruz Strategies