September 04, 2026

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

Re: SB 954 (Blakespear) – California Environmental Quality Act: advanced manufacturing facilities: exemption – Request for Veto

Dear Governor Gavin Newsom,

On behalf of the California Retailers Association, the leading voice of California's retail industry, I am writing to request your veto on SB 954 (Blakespear), which will repeal incentives for advanced manufacturing to locate in California established by SB 131 (2025), and create new precedents that could make manufacturing in the state more difficult than before SB 131's enactment.

The California Retailers Association represents retailers of all sizes and sectors across the state and advocates for public policies that support California consumers, employees, communities and a strong, competitive retail marketplace.

CRA was pleased to see the core intent of SB 607 (Wiener) and AB 609 (Wicks) enacted through the 2025-26 budget process as SB 131 and AB 130, respectively, which streamlined permitting under the California Environmental Quality Act (CEQA). These policies rank among the most consequential and transformative economic development reforms in decades, removing longstanding obstacles to keeping California competitive in advanced manufacturing industries.

Originally billed as cleanup legislation, specifically pertaining to the definition of "advanced manufacturing," which stakeholders found to be ambiguous regarding what project types might qualify, Senator Blakespear's SB 954 instead went well beyond that narrow purpose and undermined the state's progress on supporting development.

From its outset, SB 954 introduced new requirements that were never part of the original cleanup effort, including unprecedented labor standards, land use

restrictions that preclude local authority, and arbitrary new environmental requirements with no clear path for implementation or enforcement.

California continues to lead the world in research and development, venture investment, and the invention of new ideas and products, but it is also true that we have lost over 600,000 manufacturing jobs since 2000. We strongly believe that we can do both; invent and make things right here in California. According to an August 13 analysis from the Department of Finance, which opposes the measure, SB 954 "appears to negate efficiencies gained with the enactment of SB 131 and add new requirements that are more onerous and impractical to comply with than the conditions that existed prior to the enactment of SB 131."

SB 131 successfully challenged the misconception that achieving California's climate goals and attracting manufacturing are mutually exclusive, with projects currently underway in Livermore, Goleta, and the Port of Long Beach. SB 954 undermines the feasible path to obtaining a CEQA exemption, a vital component of that process, while seeking to codify some of the very misuse practices that led to the need for reform in the first place. Losing manufacturing jobs to other states with worse worker protections, dirtier electric grids, and more environmentally harmful policies is neither a win for California's economy nor for our climate. California has a unique opportunity to play a nationally leading role in decarbonizing the country's manufacturing sector while providing good jobs to our residents. SB 954 would obliterate that opportunity.

For these reasons the California Retailers Association is strongly opposed to SB 954 and requests your veto on this consequential piece of legislation. Should you have any questions or comments regarding this position, please contact Sarah Pollo Moo, Vice President of Sustainability Compliance, at sarah@calretailers.com.

Thank you for your consideration.

Sincerely,



Rachel Michelin
President/CEO
California Retailers Association