

Brown readjusts his stand on the environment vs. business

By Michael J. Mishak, Los Angeles Times

SACRAMENTO – When Gov. Jerry Brown spoke to a crowd of beaming environmentalists and renewable energy advocates at the launch of a solar farm last year, he turned heads by praising another form of fuel: oil.

It was a surprising pivot from the man credited with helping to usher in the modern environmental movement as California's governor nearly four decades ago.

Back then, Brown enacted the nation's first energy-efficiency standards, signed strict anti-smog laws and blocked offshore drilling. But in his return engagement as California's chief executive, he has eased key regulations for oil companies, capped wildfire liability for timber companies and relaxed the state's landmark environmental law.

That strain of pragmatism has run throughout Brown's current governorship – and flummoxed many allies – and nowhere is it more apparent than on the issue of the environment.

As the state forges ahead with an ambitious program to combat global warming by penalizing major polluters, Brown has said he also wants to unshackle development and create jobs by overhauling California's signature environmental law. And although he signed legislation requiring the state to get a third of its power from renewable energy sources, he is supporting the oil industry's push for more drilling.

Brown's spokesman, Gil Duran, compared the approach to that of President Obama, who has touted what he calls an "all of the above" energy strategy.

“You have to pursue renewable energy – and California is leading the way – but you also have to have balance and common sense,” Duran said.

Business leaders say Brown’s moves are those of a chief executive who knows how to spur growth in a sluggish economy. Oil companies, timber firms and other business interests typically friendly to Republicans rewarded the Democratic governor’s efforts by donating millions of dollars to his successful fall campaign to raise taxes.

Environmentalists say Brown’s actions undercut his own efforts to dramatically reduce greenhouse gas emissions over the next decade and imperil the state’s standing as a leader on climate change.

“He likes renewable energy. We think that’s great,” said Kathryn Phillips, director of Sierra Club California. “But it makes no sense for somebody who cares as much about greenhouse gas reduction as he does to be bending to the will of the oil industry or bending to the will of a private massive clear-cutter.”

In 2011, when the oil industry complained that environmental scrutiny had slowed the permitting of drilling projects, the governor fired his top two regulators and appointed replacements who agreed to speed approvals. He said the regulators had needlessly held up routine permits, and the projects represented jobs and revenue.

Brown also pushed hard for legislation to limit the legal liability of timber companies in cases of wildfires caused by their practices.

Echoing the timber industry’s concerns, the administration said the bill would prevent prosecutors from seeking “excessive damages” – payouts several times larger than the value of the damaged land. Federal authorities said the measure could make it more difficult to secure money to pay

for recovery from destructive blazes.

In a nod to conservationists, the bill Brown ultimately signed also imposed a 1% tax on lumber sales to fund restoration efforts and oversight of the industry.

“He’s balancing the practical needs of California with his philosophy on finding alternative sources of energy,” said Allan Zaremborg, president of the California Chamber of Commerce. “Whether you agree with him or not, he’s trying to find that balance.”

Activists and industry both are preparing for key fights this year.

Hoping to boost the state’s economy, Brown has signaled his desire to loosen the California Environmental Quality Act – the same law he used as attorney general to pressure cities and counties to comply with the global warming law.

The measure requires developers to go through a lengthy public process detailing their projects’ potential environmental effects and how those would be mitigated. Business groups have long complained that activists, labor unions – even corporate competitors – abuse the law by filing frivolous lawsuits to delay and kill development.

In 2011 Brown heard their call and signed bills to help a football stadium proposed for downtown Los Angeles and other major projects avoid drawn-out CEQA litigation. “There are too many damn regulations,” he said at a signing ceremony.

Brown, who as Oakland mayor tried to have the city’s downtown exempted from CEQA, wants to further limit environmental challenges to projects such as California’s high-speed rail system.

“CEQA is the safety net for the air we breathe and the water we drink,” said Kassie Siegel, a lawyer for the Center for

Biological Diversity. "If CEQA exemptions are a way for people to make a quick buck, we'll all regret them in the end."

Environmental groups and the energy industry are also concerned about the administration's proposed rules for hydraulic fracturing, or "fracking," a controversial drilling process that could help unlock billions of barrels of oil buried deep in California shale.

Although recently drafted regulations would require energy companies to disclose for the first time what chemicals they pump underground to break apart rock and release crude, the proposed rules would also allow firms to claim trade secrets and withhold information they consider proprietary.

Environmentalists and public health advocates have raised safety questions over the hundreds of chemicals that are typically used – many of them known carcinogens. And they fear the trade-secret provision could undermine the presumed intent of the regulations: disclosure.

Oil companies say the technology is safe and argue that such a clause is necessary to protect their competitive advantage.

Speaking to reporters after the November election, Brown said his actions would be guided by a simple question: "Do we have the right rules in place?"

"We are going to calibrate our regulations," he said, "to ensure that they encourage jobs as well as protect other aspects of public interest such as environment, health and good working conditions."