



OFFICE OF THE GOVERNOR

SEP 18 2026

To the Members of the California State Senate:

I am returning Senate Bill 954 without my signature.

This bill would revise several California Environmental Quality Act (CEQA) exemptions enacted last year, including repealing the exemption for advanced manufacturing facilities. The bill replaces it with a substantially narrower exemption limited to final-tier manufacturing facilities that meet numerous new siting, emissions, building, operational, technological, and procedural requirements.

Just last year, we enacted the most significant reforms of California housing and environmental review law in decades — a long-overdue overhaul to get California building again. While I appreciate the author's stated intent to ensure these reforms do not result in unintended adverse impacts on the environment, this bill does not merely clarify or refine the existing exemption. It repeals the CEQA exemption for advanced manufacturing facilities. Further, the bill's numerous new siting, operational, and emissions requirements would make the narrower exemption impractical for many of the projects it was intended to support.

Protecting communities and strengthening California's advanced manufacturing economy are not mutually exclusive goals. The exemption was designed to advance both and should be given a meaningful opportunity to work. If implementation reveals problems, they should be addressed through

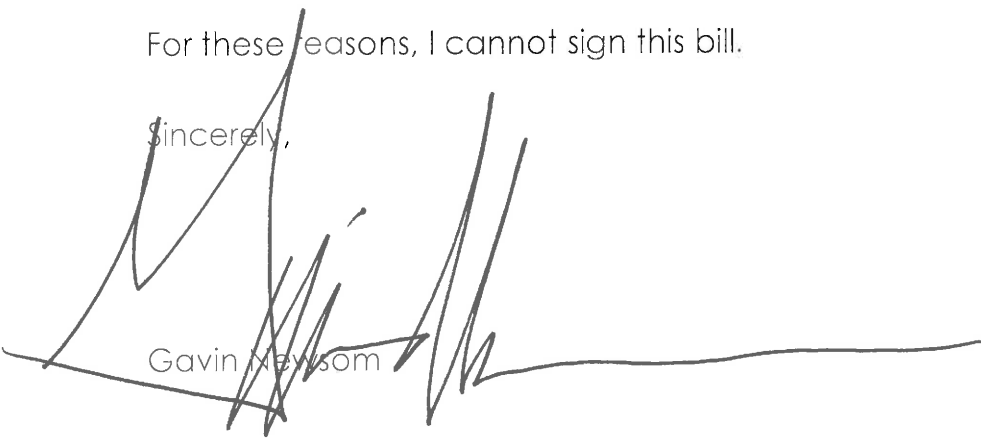


targeted, evidence-based changes — not by preemptively rolling back our progress.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

A large, stylized handwritten signature in dark ink, consisting of several sharp, sweeping strokes, is written over the printed name "Gavin Newsom". The signature extends horizontally across the page, ending with a long, straight line.