



March 10, 2020

To:
Council on Environmental Quality
730 Jackson Place NW
Washington, DC 20503
Attn: Docket No. CEQ-2019-0003

BUSINESS INSIDER

Investment giant BlackRock lost \$90 billion over the last 10 years by investing in fossil fuel companies, a report found

Sinéad Baker Aug 1, 2019, 5:49 AM



SIX MONTHS LATER...

The New York Times

DEALBOOK

BlackRock C.E.O. Larry Fink: Climate Crisis Will Reshape Finance

By Andrew Ross Sorkin

Feb. 24, 2020

f t v r b 155

Laurence D. Fink, the founder and chief executive of [BlackRock](#), announced Tuesday that his firm would make investment decisions with environmental sustainability as a core goal.

BlackRock is the world's largest asset manager with nearly \$7 trillion in investments, and this move will fundamentally shift its investing policy — and could reshape how corporate America does business and put pressure on other large money managers to follow suit.

Mr. Fink's [annual letter](#) to the chief executives of the world's largest companies is closely watched, and in the 2020 edition he said BlackRock would begin to exit certain investments that “present a high sustainability-related risk,” such as those in coal producers. His intent is to encourage every company, not just energy firms, to rethink their carbon footprints.

“Awareness is rapidly changing, and I believe we are on the edge of a fundamental reshaping of finance,” Mr. Fink wrote in the letter, which was obtained by The New York Times. “The evidence on climate risk is compelling investors to reassess core assumptions about modern finance.”



America needs infrastructure improvement. Private investors will need to fill in budget gaps and partner with the government to make this happen. As is evident from current headlines, market trends and investors see the writing on the wall about the effects of climate change and only want to invest in smart, sustainable, well-researched, and well-designed projects.

The Council on Environmental Quality (CEQ) is proposing to update its regulations for implementing the procedural provisions of the National Environmental Policy Act (NEPA) to *'modernize regulations to promote better decisions consistent with the environmental policy of NEPA..'*. From Sec. 2 [42 USC § 4321] of NEPA: The Congressional Declaration of National Environmental Quality *'use all practicable means and measures, including financial and technical assistance ...to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans.'*

To achieve this, NEPA must be used as a tool to develop smart infrastructure projects that will withstand the test of time. The threats that will challenge projects need to be understood - whether it be floods, hurricanes, fires, extreme temperatures, or shifting populations and markets. By conducting a proper NEPA study one will understand what may threaten a project, and one can reassure investors in the private sphere that their investment will be secure.

We are the Morongo Basin Conservation Association, a locally focused conservation group, based in the desert north of Joshua Tree National Park, in California. Our mission is to *Advocate for the healthy desert* and protect our world-renown, profoundly beautiful, but extremely sensitive, environment for the benefit of current and future residents, as well as for all our American and foreign tourists. By protecting our environment, we also protect our local tourist economy.

Sometimes we need laws to save us from ourselves.

We recently stopped a local development that was smack in the path of a raging river. The outsider developers only saw a dry desert wash. They did not “get” what the locals knew, that when activated with just a few inches of rainwater hitting the mountain above, the wash could literally tear through buildings. It is often hard to “get” something you don’t see happening right in front of you, and requires residents and agencies with local experience and/or relevant knowledge to avoid catastrophe.

With the California Environmental Quality Act (CEQA), a process was in place that held the County accountable, demanded transparency, and gave the public time to understand what was proposed and to respond as to how it would affect our livelihoods and the environment. One could be dismissive and say we were NIMBY’s, but one would miss the fact that we just saved the developer millions of dollars in future lawsuits filed by its future residents, and those living

Post Office Box 24, Joshua Tree CA 92252 – www.mbconservation.org

MBCA is a 501(c)3 non-profit, community based, all volunteer organization



downstream that would also be affected by the development's concentration of the water flows. There were many other concerns with this project as well, and the process needed some time for some of these issues to come to light.

This ill-conceived project wasted YEARS of the County's time, our local citizen's time, as well as the developer's time and hundreds of thousands of dollars of their money. All that time and money would have been saved, and better spent elsewhere had the County adhered to the CEQA process in good faith, and had an honest and unencumbered discussion with the developer about the problems associated with the proposed project while the project was just in its concept stage. The developers would have been re-directed and would now have a viable and safe project instead of this huge financial loss. The community not only lost the actual time and money to fight the ill-conceived plan, but it sadly redirected all those resources away from other positive community-building projects.

That was just one local example. MBCA is working to educate the public and industrial scale renewable energy developers to understand how foolhardy and absolutely dangerous it is to our local communities and the desert environment to tear up carbon-sequestering desert soil, creating unhealthy dust, to build large-scale solar projects that are hundreds of miles from population centers. Along with the attendant transmission loss, long distant electrical transmission also poses the danger of wildfires, while distributed electrical generation at the point of use would strengthen and provide resilience to the grid. The NEPA process is a tool by which these types of developments can be analyzed to avoid catastrophic physical and economic losses by making structural and design improvements gleaned from the process, or in some cases simply avoiding disaster by not building them in the first place.

A more extreme example of local citizens/groups advice and knowledge being ignored, and thus putting hundreds of thousands of citizens and billions of dollars in property at risk, was the Oroville Dam disaster of 2017. State and federal officials refused to listen to citizens and local agencies, like the South Yuba Citizens League, who were warning about the weakness of the spillways during EIS review in 2000. This breach of public trust and proper NEPA procedure almost led to a catastrophic disaster and the flooding of dozens of downstream towns, it did lead to the evacuation of 180,000 people in 2017, causing all kinds of economic hardship.

<https://protectnepa.org/oroville-dam/>

In this case the local agencies tried to warn the government about the very real threats. There were rules in place to follow, but the rules got ignored to the point of disaster. Why would one add such a high-risk factor into the process by effectively shutting out local input? Is the intent to drown our citizens in the name of profit? Does it really pay to short circuit the approval

Post Office Box 24, Joshua Tree CA 92252 – www.mbconservation.org

MBCA is a 501(c)3 non-profit, community based, all volunteer organization



process to only have to pay millions and millions in reparations, thus discouraging any private investment in future projects?

This campaign to eliminate NEPA is based on the demonstrably false claims that NEPA is both a major cause of project delay and a tool for frivolous litigation.

The facts tell a different story.

...over 99% of federal projects are cleared with minimal environmental assessment...

The federal government undertakes 50,000 actions every year subject to NEPA review, but only 500 draft EISs are prepared annually. A Federal Highway Administration study found that from 1998 to 2004, no more than 3.5% percent of all proposed transportation projects required a detailed environmental study. ...The volume of litigation under NEPA is also low: fewer than 100 NEPA cases are filed in district court annually, about half of which involve challenges to EISs.

Any law that provides broad opportunities for public participation in government decisions that affect the environment and local communities shouldn't be rolled back, it should be embraced. Rather than weakening NEPA—a law that is essential to ensuring government transparency and accountability—Congress should provide additional funding for full-time technical staff at the state and federal levels to ensure timely completion of environmental review. ...

Without the authority to consider climate change in federal decisions, there could be serious impacts on the government's ability to build climate-resilient infrastructure and climate-prepared communities.

<https://protectnepa.org/nepa-rollback-whats-at-stake-december-2019/>

Instead of dodging the reality of the situation, optimize NEPA as a tool to balance environmental and business concerns for the long term. Why build a project that has not been analyzed properly to ensure it will survive the trials of climate change? Inadequate and shortsighted analysis would surely lead to a poor return on investment, just as Larry Fink of BlackRock was referring to in his announcement in February. Use the NEPA process to strengthen projects and encourage investment.

We strongly oppose and reject the revisions proposed by the CEQ.

Sincerely,

Janet Johnston

Board member, Morongo Basin Conservation Association

Post Office Box 24, Joshua Tree CA 92252 – www.mbconservation.org

MBCA is a 501(c)3 non-profit, community based, all volunteer organization