



September 4, 2026

Honorable Gavin Newsom, Governor
State of California
1021 O Street, 9th Floor
Sacramento, CA 95814

Re: AB 817 (Gonzalez)- Cold Storage Facilities- VETO REQUEST

Dear Governor Newsom,

The undersigned organizations are writing to request a **veto** of **AB 817 (Gonzalez)**, which was gutted and amended on August 19th, less than two weeks before the end of the legislative session. AB 817 will require the owner or lessee of cold storage facilities and other buildings with over 20,000 sq. feet of refrigerated space to establish and maintain a contingency fund up to \$20 million to be used for specified mitigation purposes if a state of emergency is declared and a local jurisdiction takes specific actions. Unfortunately, AB 817 will establish a significant barrier to operating cold storage, manufacturing, and production facilities in the state by requiring significant additional capital before building a new facility or improving an existing one.

We all recognize the detrimental impact of the June 17th warehouse fire and have immense empathy for the Boyle Heights and Los Angeles communities impacted. We understand the desire to put procedures in place to better assist communities if similar adverse events transpire. However, rather than rushing legislation this year we implore you to allow stakeholders more time to thoroughly discuss the potential consequences of this policy. While the author has committed to revisiting the statewide mandate next year, if subsequent legislation is not adopted, what would become a mandate in July 2028 will be detrimental to California's cold storage capacity which our food and medical supply chains rely on.

AB 817 would:

- **Increase the price of cold storage** on food processors, distributors, growers, food packers, frozen food manufacturers, agricultural cooperatives, dairy industry facilities, pharmaceutical manufacturers and retailers by making it more expensive to operate a cold storage facility. Additionally, we anticipate the bill will decrease capacity in the state, also driving cost pressures.
- **Limit facility improvements, like energy efficiency upgrades**, if filing the necessary permits trigger a contingency fund requirement. If significant capital is required for a contingency fund, in addition to the investment in the improvements themselves, it could delay projects by years if not in perpetuity, by making them prohibitively expensive.
- **Disadvantage small and medium sized businesses** without the means to secure required contingency funds, located in rural areas, ultimately punishing responsible operators. The bill lacks explicit criteria to determine a reasonable amount of contingency based on factors such as facility size, proximity to residents, and the risk of the facility's contents. There are many facilities located in non-urban areas, where impacts on residents of an adverse event may be minimal, but they would face tougher conditions doing business in the state. These requirements would penalize responsible operators who had no connection to the June incident and push new facilities and the jobs and tax revenue that come with them to other states.
- **Lack oversight of fund management.** Without clear standards, local governments could utilize the funds inconsistently, and businesses would face significant uncertainty in planning and financing improvements and new projects. A local government may set a low contingency fund amount to entice new projects to locate in their jurisdiction but require a significant contingency fund when the owner seeks to permit to modify the facility.

The implementation of AB 817 would impact food and pharmaceutical availability, family-owned businesses and jobs throughout the state, ongoing sustainability efforts, and overall complicate the shared responsibility to disaster response through multiple levels of an already complex system. Cold storage facilities serve an integral role in providing food and medicines to Californians. We are committed to working with your office and stakeholders to find an approach that balances community needs with equitable processes and procedures for implementation.

We thank you for your consideration of our veto request.

Sincerely,

Sara M. Stickler, Global Cold Chain Alliance

Renee Pinel, Western Plant Health
Association

Alexi Rodriguez, Almond Alliance

Tricia Geringer, Agricultural Council of
California

Tim Shestek, American Chemistry Council

Rachael O'Brien, California Grocers
Association

Erin Raden, Consumer Brands Association

Katie Little, California Food Producers

Katie Davey, Dairy Institute of California

Lisa Van Doren, American Frozen Food Institute

Debbie Murdock, Association of California Egg Farmers

Chris Zanobini, California Grain and Feed Association

Debbie Murdock, California Pear Growers Association

Donna Boggs, California Seed Association

Debbie Murdock, Pacific Egg & Poultry Association

Roger Isom, California Cotton Ginners and Growers Association, Western Tree Nut Association

Casey D. Creamer, California Fresh Fruit Association

Mike Montna, California Tomato Growers Association

Robert Verloop, California Walnut Commission

Christopher Valadez, Grower-Shipper Association of Central California

Manuel Cunha, Nisei Farmers League

Chris Zanobini, California Cherry Board

Rick Tomlinson, California Strawberry Commission

Cadee Condit, American Pistachio Growers

Jacob Villagomez, California Citrus Mutual

Shirley Rowe, African American Farmers of California

Todd Sanders, California Apple Commission, California Blueberry Association, California Blueberry Commission, California Olive Oil Council, Olive Growers Council of California

Cc:

Christine Aurre, Legislative Secretary in the Office of Governor Newsom

Sam Miller, Deputy Legislative Secretary in the Office of Governor Newsom