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BUSINESS, TRANSPORTATION AND HOUSING AGENCY

June 29, 2007

The Honorable John F. Tavaglione
Chair of the Riverside County Board of Supervisors
4080 Lemon Street, 4th Floor
Riverside, CA 92502

Dear Chair Tavaglione and Members:

As I'm sure you're aware, the Governor has proposed a Strategic Growth Plan, which calls for an investment of \$222 billion to be invested in California's infrastructure over the next decade, of which \$107 billion would be for transportation.

In November 2006 the public voted to invest \$19.9 billion in transportation bonds, plus a permanent and stable allocation of the sales tax on gasoline for transportation purposes. This year Caltrans anticipates having over \$10 billion in road construction projects under contract and underway, and that number is expected to grow as more projects are ready for construction, now that additional funding is available.

While we at the Business, Transportation and Housing Agency are pleased to be making great progress in addressing California's transportation needs, at the same time we are concerned about the availability and cost of aggregate over the next several years. Caltrans -- as well as our local and regional partners -- will be challenged to deliver the transportation program promised to the public over the next several years if we are unable to secure an adequate supply of construction materials to meet California's needs.

I would like to bring to your attention the tremendous amount of aggregate needed to supply the state's transportation infrastructure needs. In 2006, the total aggregate demand for California construction (of which road construction was about one-quarter) was 235 million tons. This number is expected to grow rapidly in the future, as our economy and need for infrastructure expands. Yet only slightly more than seven percent of the potential, known aggregate supply is currently permitted by local jurisdictions and the quarry permitting process typically takes years to complete.

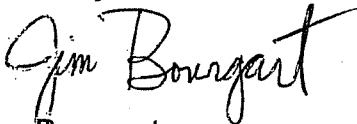
The Honorable John F. Tavaglione
June 29, 2007
Page two.

In workshops sponsored by Caltrans, our industry partners have also shared their concern about the availability and price of construction materials. Furthermore, we are mindful of the other serious negative impacts caused by hauling materials extra distances by truck, when local quarries could have been used instead – extra damage to roadways, traffic congestion, air pollutants, greenhouse gas emissions and energy usage.

It has come to our attention that Granite Construction Company has proposed the Liberty Quarry project, located at the Riverside/San Diego County border. Liberty Quarry could help meet a critical need for construction materials in your region, as well as provide job opportunities for local residents. We do recognize that Riverside County Board of Supervisors will weigh the benefits and impacts of the Liberty Quarry proposal and make the final determination about whether it conforms to environmental and planning needs and complies with local zoning and land uses requirements.

Thank you in advance for taking into consideration the growing regional and statewide needs for construction materials at a reasonable price and reasonable distance from the construction project locations.

Sincerely,



Jim Bourgart
Deputy Secretary for Transportation and Infrastructure

cc: Eric Haley, Riverside County Transportation Commission