

April 15, 1998

Rec'd 6/4/98
Policy Grp

The Honorable William Jefferson Clinton
The White House
Washington, D.C. 20500

The Honorable Pete Wilson
State Capitol
Sacramento, California 95814

Dear President Clinton and Governor Wilson:

The process of resolving long-standing and serious problems facing California's Bay-Delta region has entered a critical stage. We represent major California employers that support the CALFED Bay-Delta Program and its objective of improving long-term certainty of water supply and quality and restoring environmental health to the Bay-Delta ecosystem. It is imperative for federal and state agencies and stakeholders to reach agreement this year on a preferred alternative comprehensive solution.

We also think that an expanded voluntary water transfer market is essential to any successful long-term solution for the Bay-Delta ecosystem and responsible management of California's water resources. We are pleased that water marketing is a common element among the CALFED alternative solutions, but think that legislation, particularly state legislation, is essential to implementation of that element. A fully functioning water market would provide increased certainty and ensure the most efficient possible use of developed supplies, facilitate the improvement of water quality, demonstrate which infrastructure projects are necessary, facilitate significant user funding to reduce general taxpayer burden, allocate costs among beneficiaries more fairly, and ensure more efficient use of capital. Under existing statutes, these benefits cannot be adequately realized.

We urge your support to achieve agreement on the CALFED Bay-Delta Program and needed legislation this year to facilitate an expanded water market. Neither our state nor our nation, given California's importance to the national economy, can afford to delay resolving the critical Bay-Delta problems with which we have struggled for decades. A long-term solution must include expanded voluntary water marketing, and such a solution must not be deferred.

If we fail in our current efforts, the long-term negative consequences to our economy and quality of life will be immeasurable. In 1994, your commitment to achieving the Bay-Delta accord was critical to reaching that milestone. We ask for your equal commitment to achieving by year-end a comprehensive long-term plan for the Bay-Delta ecosystem and to ensuring parallel progress toward establishing a fully functioning water market.

Sincerely,

Chief Executive Officers of Major California Employers and Members of: California Business Roundtable, California Council for Environmental and Economic Balance, and Bay Area Council

Letter to President Clinton and Governor Wilson

April 15, 1998

Re: CALFED Bay-Delta Program and a Voluntary Water Market

Page 2

Paul Hazen

Paul Hazen, Chairman & CEO
Wells Fargo Bank

P.O. Quigley

Philip O. Quigley, Chairman
California Business Roundtable
SBC Communications, Inc.

Frank C. Herringer

Frank C. Herringer, Chairman & CEO
Transamerica Corporation

Nelson C. Rising

Nelson C. Rising, President & CEO
Catalytic Development Corporation

John E. Bryson

John E. Bryson, Chairman & CEO
Edison International

Bruce Karatz

Bruce Karatz, Chairman, President & CEO
Kaufman & Broad Home Corporation

Thomas C. Sutton

Thomas C. Sutton, Chairman & CEO
Pacific Life Insurance Company

Eli Broad

Eli Broad, Chairman & CEO
SunAmerica, Inc.

Thomas McKernan

Thomas McKernan, President & CEO
Automobile Club of Southern California

Gordon R. Smith

Gordon R. Smith, President & CEO
Pacific Gas and Electric Company

T. Gary Rogers

T. Gary Rogers, Chairman & CEO
Dreyfus Grand Ice Cream, Inc.
Chairman, Bay Area Council

David A. Coulter

David A. Coulter, Chairman & CEO
BankAmerica Corporation

Kenneth T. Dert

Kenneth T. Dert, Chairman & CEO
Chevron Corporation

Robert T. Barry

Robert T. Barry, President & CEO
Federal Reserve Bank of San Francisco

Gilbert F. Amelio

Gilbert F. Amelio
The Parkside Group

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Donald G. Fisher, Chairman
GAP, Inc.

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David M. Lawrence, M.D., Chairman & CEO
Kaiser Foundation Health Plan, Inc.

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J. Tracy O'Spnrke, Chairman & CEO
Varian Associates, Inc.

Jim Coriston

Jim Coriston, Managing Partner
Price Waterhouse LLP

Chang-Lin Eian

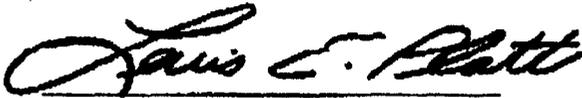
Chang-Lin Eian, Ph.D., Chairman
Bay Area Economic Forum

Letter to President Clinton and Governor Wilson

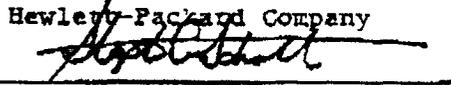
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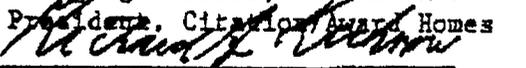
Page 3

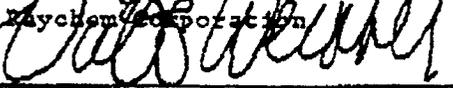


Lewis E. Platt, Chairman, President
& CEO
Hewlett-Packard Company



Stephen C. Schott
Managing Partner, Oakland A's
President, Citation Award Homes

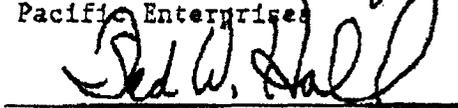

Richard A. Kashner, Chairman, CEO
& President
Raychem Corporation



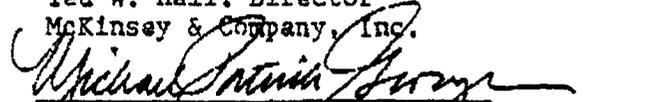
Victor Weisser, President & CEO
California Council for Environmental
and Economic Balance

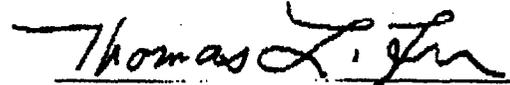


Willis B. Wood, Jr., President & CEO
Pacific Enterprises



Ted W. Hall, Director
McKinsey & Company, Inc.


Michael Patrick George, President & CEO
Western Water Company



Thomas L. Lee, Chairman & CEO
The Newhall Land & Farming Company

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