

April 15, 1998

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.

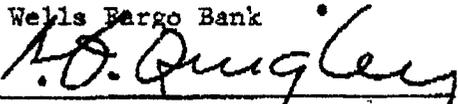
If we fail in our current efforts, the long-term negative consequences to our economy and quality of life will be immeasurable. In 1994, your commitment to achieving the Bay-Delta accord was critical to reaching that milestone. We ask for your equal commitment to achieving by year-end a comprehensive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

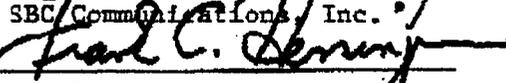
Sincerely,

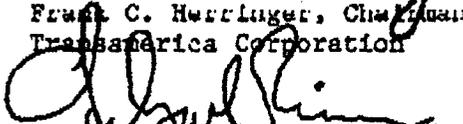
Chief Executive Officers of Major California Employers and Members of: California  
Business Roundtable, California Council for Environmental and Economic Balance, and  
Bay Area Council

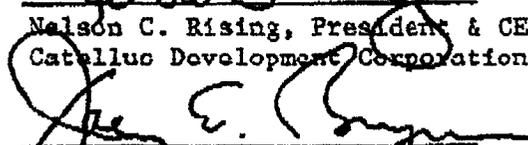
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Re: CALFED Bay-Delta Program and a Voluntary Water Market  
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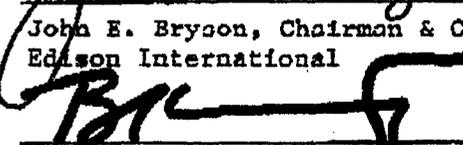
  
Paul Hazen, Chairman & CEO  
Wells Fargo Bank

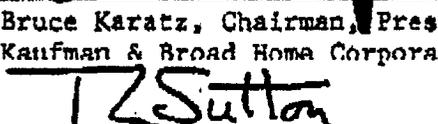
  
Philip G. Quigley, Chairman  
California Business Roundtable  
SBC Communications, Inc.

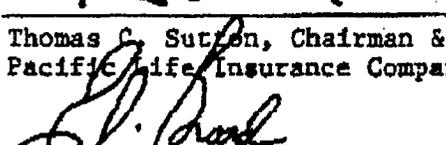
  
Frank C. Herringer, Chairman & CEO  
Transamerica Corporation

  
Nelson C. Rising, President & CEO  
Catalus Development Corporation

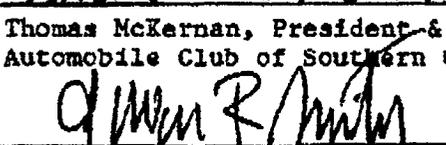
  
John E. Bryson, Chairman & CEO  
Edison International

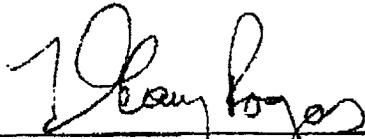
  
Bruce Karatz, Chairman, President & CEO  
Kaufman & Broad Home Corporation

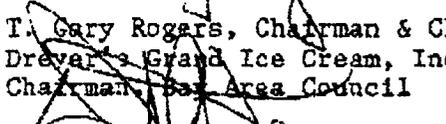
  
Thomas C. Sutton, Chairman & CEO  
Pacific Life Insurance Company

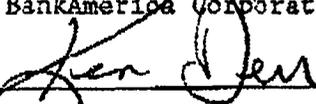
  
Eli Broad, Chairman & CEO  
SunAmerica, Inc.

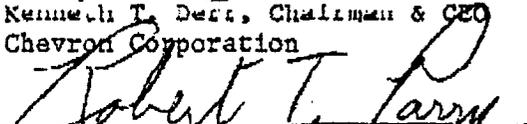
  
Thomas McKernan, President & CEO  
Automobile Club of Southern California

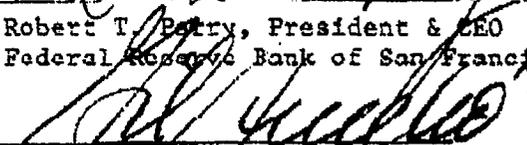
  
Gordon R. Smith, President & CEO  
Pacific Gas and Electric Company

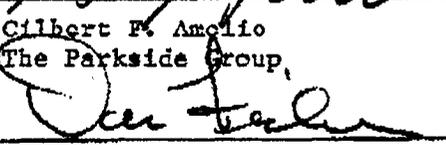
  
T. Gary Rogers, Chairman & CEO  
Dreyfus Grand Ice Cream, Inc.  
Chairman, Bay Area Council

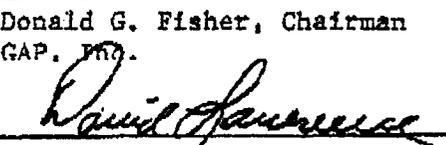
  
David A. Coulter, Chairman & CEO  
BankAmerica Corporation

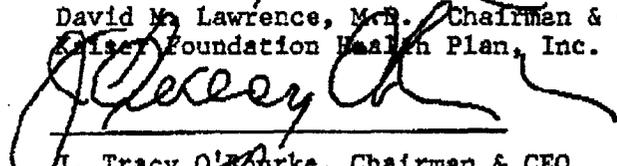
  
Kenneth T. Dert, Chairman & CEO  
Chevron Corporation

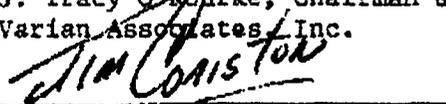
  
Robert T. Parry, President & CEO  
Federal Reserve Bank of San Francisco

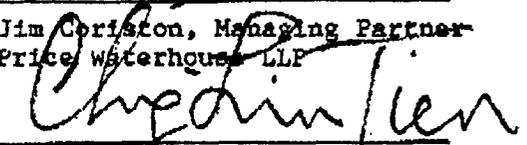
  
Gilbert F. Amelio  
The Parkside Group

  
Donald G. Fisher, Chairman  
GAP, Inc.

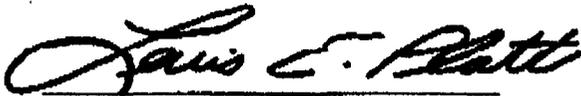
  
David M. Lawrence, M.D., Chairman & CEO  
Kaiser Foundation Health Plan, Inc.

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

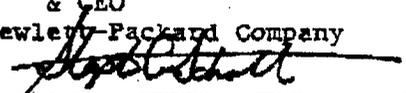
  
Jim Coriston, Managing Partner  
Price Waterhouse LLP

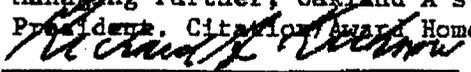
  
Chang-Lin Tien, Ph.D., Chairman  
Bay Area Economic Forum

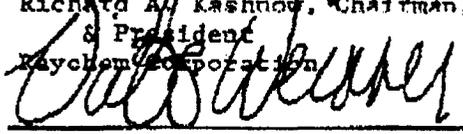
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Lewis E. Platt, Chairman, President  
& CEO  
Hewlett-Packard Company

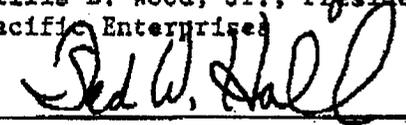
  
Stephen C. Schott  
Managing Partner, Oakland A's  
President, Citicorp Bay Area Homes

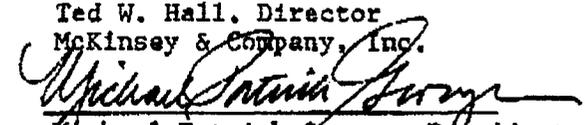
  
Richard A. Kashner, Chairman, CEO  
& President  
Raychem Corporation

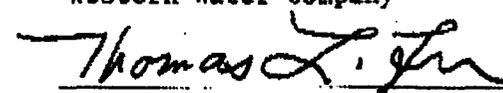
  
Victor Weisser, President & CEO  
California Council for Environmental  
and Economic Balance



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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