

PETE CONATY & ASSOCIATES  
GOVERNMENTAL RELATIONS

Dave McCracken, President  
The New 49ers Prospecting Association

27 May 2009

Dear Dave:

As you are aware, Senator Wiggins took up SB 670 (anti-suction dredging legislation) on the afternoon of 26 May.

The following senators spoke on the Floor in favor of the bill:  
Senator Jenny Oropeza (D- Long Beach), Senator Lois Wolk (D – Vacaville), Senator Darrell Steinberg (D – Sacramento), President Pro Tempore of the Senate & Senator Denise Ducheny (D – San Diego).

Republican Senators Aanestad and Cox made very impassioned speeches on why Senators should vote no. Senator Runner also asked a clarifying question which encouraged a no vote.

All Democrats voted in favor, as well as Republicans Benoit, Denham, Dutton, Harmon, Maldonado, Strickland, Walters. The vote was 31-8.

There were a lot of shocked people when the final vote went through in the Senate – myself, Senators Aanestad & Cox, the lobbyists for Siskiyou County & the lobbyists for Regional Council of Rural Counties (RCRC).

I'm sorry to report that we got killed in the Senate!

What has changed is that the California Tribal Business Alliance (CTBA) has come out with all its resources to pass this bill. The CTBA has several political action committees (PACs) which in the 2007-08 reporting cycle donated directly or provided independent expenditures of \$642,858.15 to elected officials including a lot of Republicans. I am sure they are spending more this year.

That is not even counting the PAC money the CTBAs 7 member tribes separate PACs have contributed. These tribes contributed roughly the same amount to elected officials and candidates in 2007-08.

The bottom line is that we are up against big Indian money which did not become apparent until this last week.

The next legislative step is for SB 670 to be heard in the Assembly Water, Parks & Wildlife Committee which could be as early as June 9th. From there, the bill will go to the Assembly Appropriations Committee and then to the Assembly Floor sometime between July 1 and September 11. If passed in the Assembly, then the bill will be sent to the governor.

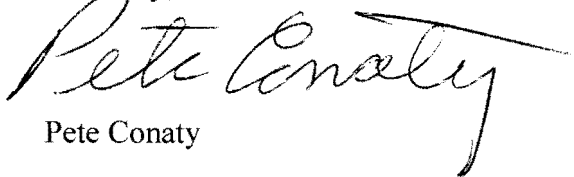
This extended time period is caused by the uncertainty surrounding the California State budget which is supposed to be passed by July 1, 2009, but which has been habitually late. I will keep you updated as the bill progresses.

As I read the amended bill, if passed into law, it would place a ban on all suction dredge gold mining in California until an updated Environmental Impact Report (EIR) is completed (est. Jan. 1, 2011). This means your 2010 dredging season is hanging in the balance.

I realize you are as upset as I am that we did so poorly in the Senate. I will need time to gather information to get a reality check on whether we have a reasonable shot in the Assembly. If I feel we have a chance of killing SB 670 there, you and I can put our heads together as we always do and come up with a new Action Plan.

Meanwhile, I strongly suggest you rally your supporters as best you can; because to overcome what we are up against will require all of the energy we can muster.

Sincerely,

A handwritten signature in black ink that reads "Pete Conaty". The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.

Pete Conaty