

Consumer Action

www.consumer-action.org

PO Box 1762
Washington, DC 20013
202-544-3088

221 Main St., Suite 480
San Francisco, CA 94105
415-777-9648

523 W. Sixth St., Suite 1105
Los Angeles, CA 90014
213-624-4631

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Assembly Member Lowenthal, Chair
Assembly Committee on Transportation
Legislative Office Building
1020 N Street, Room 112
Sacramento, CA 9581

Re: SB 448 (Leno) - SUPPORT

Dear Chair Senator Padilla and Senate Committee on Energy, Utilities, and Communication,

Consumer Action is writing in support of SB 448 (Leno). SB 448 empowers the California Energy Commission to investigate and prevent fuel price manipulation. This bill is aimed at protecting California consumers who have, for too long, been at the mercy of a few major oil companies that control nearly all of the transportation fuel market.

Consumer Action is a San Francisco based consumer education and advocacy organization with offices in Los Angeles and Washington, D.C. We work through a national network of 7,500 community-based organizations of which 3,000 are located in California. Primarily, these agencies serve low and moderate- income consumers who are hard hit by high gasoline prices.

Consumers of fuel in California are faced with two major problems. The price of fuel in the market is highly variable, and the average price for gasoline and diesel in the state is much higher than in the rest of the country. Time and time again, regulators who examine oil company operations have been unable to hold those companies accountable for consolidating market power and dictating prices at the pump. Since there are no virtually no standards by which to judge oil company operations with regard to gas prices and no consistent evaluation of those practices by state regulators, Californians continue to be held hostage at the pump.

A vast majority of the supply for transportation fuels in California is controlled by only a handful of producers and importers. Unfortunately, many of these companies are also fighting common sense environmental regulations that will lead to long-term fuel diversification and fuel price decreases. These producers use high fuel prices, a number which they control, as the main reason for California to think twice about moving forward with comprehensive fuel policy

implementation. It is time to put an end to the practice of allowing oil companies to control California's fuel and environmental policy.

SB 448 is a necessary tool for understanding and regulating the fuel market in California. We support this important legislation and look forward to working with the committee as it moves forward.

Sincerely,

Joe Ridout
California Legislative Coordinator
Consumer Action