



October 12, 2015

California Governor Jerry Brown
State Capitol, Suite 1173
Sacramento, CA 95814
Fax: (916) 558-3160

Senate President Pro Tempore Kevin de León
State Capitol, Room 205
Sacramento, CA 95814
Fax: (916) 651-4924

Dear Governor Brown and President Pro Tempore de León,

California's oil industry has, for the second time this year, refused to appear before a governmental body to answer questions regarding potential market manipulation and excessive gasoline prices in the state.

As you know, this year the price Californians have paid at the gas pump has reached an historic gap with average U.S. gasoline prices. Since February, California average gasoline prices topped 80 cents extra for the first time in recorded history, have been consistently \$1 more than U.S. prices and exceeded \$1.50 more in Southern California. In addition, the profits reported by the three California oil refiners that report oil refining profits from state operations are unprecedented in the second quarter of this year.

Yet California's oil refiners have refused to publicly explain the unprecedented gasoline price spikes or be publicly questioned about the historic Golden State gouging gap both times that they have been summoned before government bodies to do so. Isn't it time for subpoenas to compel answers from the industry about why Californians have paid \$6 billion extra for their gasoline compared to US drivers since February?

In March, at a joint hearing held by the Senate Transportation & Energy Committees, the Western States Petroleum Association (WSPA) did not produce a representative who would speak for it or the industry, sending an economist who testified he could speak only for himself. At the time, WSPA representatives claimed they had another meeting to attend that couldn't be rearranged.

Now WSPA is refusing to testify before the California Energy Commission's Petroleum Market Advisory Committee, created by the Governor to ward against the very market manipulation and price gouging that Californians have endured for the past eight months. WSPA wrote that it is in no position to discuss supply problems and price spikes in the state, then warned the CEC about breaching confidentiality of data requirements in the law. The individual oil refiners have similarly refused to appear before both governmental bodies.

How can the legislature, the Energy Commission, or the public understand why Californians faced historic gasoline supply and price disruptions if oil refiners and their trade representatives refuse to appear publicly before the governmental bodies charged with getting answers about those disruptions?

This slap in Californians' face by oil companies that have made an extra \$6 billion this Spring and Summer off our pain is an outrageous abuse of market power that people and state of California should have no patience for.

We urge you to act immediately and take advantage of the legislative recess to hold a public inquiry, or if necessary a special legislative session, where California's oil refiners are required to answer questions by testifying under oath.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Court".

Jamie Court, President Consumer Watchdog

A handwritten signature in black ink, appearing to read "Liza Tucker".

Liza Tucker, Consumer Advocate

A handwritten signature in black ink, appearing to read "Cody Rosenfield".

Cody Rosenfield, Researcher

cc:

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