



# CITY OF CARSON

January 4, 2023

Governor Gavin Newsom  
1021 O Street, Ste. 9000  
Sacramento, CA 95814

## **RE: PRICE GOUGING PENALTY ON BIG OIL'S EXCESSIVE PROFITS**

Dear Governor Newsom:

We have been made aware of your efforts to rein in Big Oil's excessive profits through the passage of a Price Gouging Penalty such as the one being put forth through the California Legislature.

As we read Senate Bill-2, it sets forth a maximum gross gasoline refining margin and gives the State Energy Resource Conservation and Development Commission power to enforce such a profit limitation with civil administrative penalties, which after the penalties are put towards the costs of enforcement, will be returned as refunds to the residents of the State. We applaud your efforts to rein in the profits of these affluent and polluting corporations.

As you are aware, for decades Carson has been deeply and negatively impacted by the oil industry in the Los Angeles Basin. Oil was first discovered in what is now known as the Dominguez Oil Field in 1923, well before the City was incorporated. While the oil has brought a sizeable amount of business and jobs to Los Angeles County, it has not been evenly distributed among the citizens. The residents of Carson have been disproportionately impacted and for too long the State has ignored the environmental justice issues facing us today.

In 2016, the leaders of the City took a bold approach to protecting their residents by enacting a municipal code that not only provided the largest drilling setbacks in the State, but also demanded further health and safety requirements that were not even required by the State. This was years before SB 1137 (2022) was even discussed.

The City also, and equally important, enacted a tax on the oil industry to produce income for the City to alleviate the decades of the negative impacts of the oil industry upon its residents. In fact, the City is engaged in an audit of the refineries who are once again blatantly flaunting their lack of respect towards this community in the City's face.

These tremendous efforts by current and former members of the City Council and City employees to ensure that the oil refineries operating within City limits pay their fair share to mitigate their negative impacts on the community are at the cusp of bearing fruit.



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Therefore, while the City supports your efforts, we are respectfully requesting that the final bill regarding the Price Gouging Penalty that is sent to your desk has language that ensures that any and all penalties brought forth by the State does not interfere with any locally levied fees/taxes.

This would ensure that the City of Carson can continue to alleviate the past effects of the oil industry and continue improving the lives of its residents.

Sincerely,

CITY OF CARSON CITY COUNCIL

CC: President Pro-Tempore Toni Atkins  
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CC: Speaker Anthony Rendon  
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CC: Senator Steven Bradford  
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CC: Assemblymember Josh Lowenthal  
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