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CFCA's Statement on Gasoline Price Decline

Sacramento, CA –The Governor recently took to Twitter to claim <u>credit</u> for falling gasoline prices, crediting the decline to his decision to end early the mandate requiring refineries to produce more expensive "summer blend" gasoline. We are happy to see the Governor recognize that reducing expensive regulatory burdens contributes to lower gas prices.

The Governor's comments, and the recent price reductions, highlight the failed logic behind the Administration's accusations of "price gouging". The reality is California's gasoline prices are routinely higher than the rest of the country because of the burdensome (and unique) mandates placed on the oil industry by the State. Actions by the federal government and the state have continued to reduce supply while demand remains high, causing prices to increase. Environmental regulations and gasoline taxes add approximately \$1.30 to every gallon of gasoline in California, which doesn't account for dozens of additional environmental regulations placed on producers, refiners, marketers, and station owners. Our members are also subject to the same costs that make California an expensive place to do business, including high labor costs, payroll taxes, franchise taxes, and more. All of which contributes to the price at the pump.

If the Governor's action reveals one thing, it's that when the state suspends onerous mandates, California's refiners and station owners pass those cost savings onto consumers.

"It is time to move past the baseless accusations of price gouging and start focusing on real solutions for California consumers." said Elizabeth Graham, Executive Director of the California Fuels and Convenience Alliance. "As the Governor's action has shown, right now the State has the capacity to provide immediate relief to consumers. CFCA stands ready to work with the Administration and Legislature on real solutions to reduce the price at the pump."

About CFCA

CFCA is the industry's statewide trade association representing the needs of independent wholesale and retail marketers of gasoline, diesel, lubricating oils and other petroleum products; transporters of those products; and retail convenience store operators. CFCA's members serve California's families, agriculture, police and fire, cities, construction, and delivery industries to name a few