



Driving Our Demand



Coming up at the Chamber

[View all upcoming events on our Web calendar.](#)

THU | June 28
Land Use, Construction &
Housing Committee Meeting
[more info](#)

THU | June 28
Leadership Southern
California Class of 2007
Graduation & Class Report
[more info](#)

FRI | June 29
Crossroads 2007 Policy
Symposium
[more info](#)

TUE | July 10
Referral Network
Grow Your Business
[more info](#)

WED | July 11
Small Business Council
[more info](#)

FRI | July 13
Mobility 21 Coalition
Meeting
Featuring State Sen. President
pro Tem Don Perata
[more info](#)

FRI | July 13
Health Care Committee
Meeting
[more info](#)

The Los Angeles Area Chamber of Commerce is the voice of business in L.A. County. Founded in 1888, the Chamber promotes a prosperous economy and quality of life in the Los Angeles region. For more information, visit www.lachamber.org

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Last November, Californians voted overwhelmingly to improve our state's aging transportation infrastructure by passing the "Rebuild California" infrastructure bond package (Propositions 1A through 1E), which will generate \$37.5 billion for critical projects throughout the state. Over the past eight months, state and local governments have moved quickly forward with plans to improve our transit systems, and we applaud them for their swift action.

We have taken significant steps to modernize our transportation infrastructure, but we are not attending to our transportation fuel infrastructure. Oil refineries in California provide the fuel to power the cars, trucks, buses, airplanes and taxis that play such a vital role in the transportation of people and products across our state. But our pipelines and refining facilities must be modernized in order to keep pace with our state's growing fuel demands.

All of the gasoline we use in California comes from our state's refineries. More than 60 percent of our crude oil is imported from Alaska and foreign countries, according to the California Energy Commission (CEC), but it is all refined in California to meet the unique regulations for gasoline sold in our state. As a result of these regulations, no gasoline pipelines from refineries in other states enter California. We are 100 percent dependent on the existing refineries in our state.

Yet, no new refining capacity has been built in our state in the last several decades. In Southern California we have lost capacity during this time while demand has increased substantially. Refineries are highly regulated by federal, state and local agencies and the refineries in our region have been continually rebuffed when requesting permits to modernize their facilities to meet the growing needs of our citizens and businesses.

Local industrial land-use policy in particular has worked to slowly squeeze refineries out. Despite this, in its most recent energy update, the CEC called for increased infrastructure to meet the state's needs saying most of the required expansion is needed in the L.A. Basin. Long overdue improvements in our ability to refine and transport gasoline are reducing supply and bogging down efficiency.

The oil industry provides more than 1 million jobs in California with an annual payroll of \$45 billion and property taxes that exceed \$8 billion. Here in Southern California, the majority of our refineries are in our front yard including: Wilmington, Long Beach, Torrance and El Segundo. To maintain our economy and tax base, the cities of L.A., Long Beach, Torrance and El Segundo must be cooperative in permitting the modernization of these facilities when they are in compliance with environmental regulations.

Many people and elected officials see the petroleum industry as a villain, yet it is the industry that keeps the country moving. It provides the fuel that takes us to work, makes our vacations possible, and moves our products and goods across the United States. Let's make sure that we have the right policies in place so that the petroleum industry can efficiently refine the fuel we need and supply those products at the lowest prices possible.

In thinking about improvements to our state's transportation infrastructure, we must now consider the modernization of our transportation fuel infrastructure. We are in this together – government, business and all Californians. In the months and years ahead, we must work collaboratively to make needed improvements to our gasoline pipelines and refineries to keep California moving.

And that's *The Business Perspective*.



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The Business Perspective is a weekly opinion piece by Gary Toebben, President & CEO of the Los Angeles Area Chamber of Commerce, produced with the input of Senior Policy Advisor Rusty Hammer.

by Gary
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L.A. Business THIS WEEK

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