



Senator Feinstein Asks Governor Schwarzenegger to
Streamline Permits for Oil Refiners to Bring Down Gas Prices
May 14, 2004

Washington, DC – U.S. Senator Dianne Feinstein (D-Calif.) today urged California Governor Arnold Schwarzenegger to help streamline the refinery permitting process in an effort to relieve gas prices in the State which have climbed to record levels, partly due to the shortage of refining capacity. Following is the text of the letter sent Thursday:

“I am writing to ask for your attention to the permitting problems associated with petroleum infrastructure projects. As you know, the Energy Information Administration reported that on Monday, May 10, 2004, gas prices in California averaged \$2.27. There are several causes of this price spike, including rising global demand for crude oil, the federal oxygenate requirement and the boutique fuel problem, and limited refining capacity. It is my hope that we can work together to increase California’s energy production while protecting the environment.

I have spoken with both Shell and ChevronTexaco regarding refining capacity. Both companies have told me that one step California could take to help the gasoline supply situation is to streamline the permitting process for refinery upgrades and expansions. I understand you met with the Chief Executive Officer of ChevronTexaco, Dave O’Reilly, who spoke with you about this as well. When I met with him last week, he shared with me how difficult it is to get permits for expansion and upgrade projects. He also talked about project delays caused by overlapping and conflicting agency and local authorities. I can see where a cumbersome permitting process, with uncertain outcomes, would make it difficult to plan and implement projects.

In your California Performance Review, you have asked state agencies to look for ways to make California run more efficiently, to be more supportive of businesses, and still protect the environment. I encourage you to improve the speed and predictability of the permitting process, and believe that this will allow business and government to focus their limited resources on actions that most benefit the environment.

Please let me know if there are things at the Federal level that I can do to help. I look forward to working with you.”

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