

RESOLUTION NUMBER R- 292393

ADOPTED ON NOV 01 1999

WHEREAS, the price of gasoline in California has risen to an average of \$1.44 per gallon after having reached a low of \$1.10 per gallon in mid-February; and

WHEREAS, the gasoline required to meet California's environmental standards is not readily obtainable from sources outside the state of California; and

WHEREAS, the price of crude oil used to manufacture reformulated gasoline has increased from \$10.15 per barrel on December 31, 1998 to \$20.90 per barrel on October 11, 1999 and each dollar increase in the cost per barrel of crude oil represents a 2.5 cent per gallon increase in the price of gasoline resulting in a total increase in the price of gasoline of approximately 25 cents per gallon for this period; and

WHEREAS, the Council understands that the price per gallon of gasoline encompasses federal, state and local taxes in the amount of 45.6 cents per gallon plus 7 cents per gallon sales tax, 1.2 cents per gallon State mandated Underground Storage Tank Fee and local sales taxes, and as a result, California is ranked 9<sup>th</sup> among states in the United States that tax the sale of gasoline; and

WHEREAS, the Council remains concerned that the price of gasoline within the City of San Diego may be influenced by anti-competitive practices of major oil companies; and

WHEREAS, the City has communicated with the appropriate State and Federal agencies and pledged cooperation and assistance in investigating the practices of oil companies operating in California; and

WHEREAS, because crude oil prices continue to rise and cause a significant financial hardship on residents, businesses, government and social service agencies; NOW, THEREFORE;

BE IT RESOLVED, by the Council of The City of San Diego, as follows:

1. That as long as prices continue to remain high, this Council hereby encourages the residents, businesses, government, and social service agencies in The City of San Diego to conserve the supply of gasoline by driving less, carpooling more, and using public transportation.

2. That the City Attorney monitor the progress of the Federal Trade Commission and the California Attorney General as they investigate the alleged anti-competitive practices of oil companies operating in California. The City Attorney shall strongly advocate to the Federal Trade Commission and the California Attorney General, the continued, vigorous investigation of alleged anti-competitive practices, including violations of Federal Anti-Trust laws, violations of California Business and Professions Code section 21200 [Price Discrimination], and possible collusion among oil companies operating in California to arbitrarily established gasoline prices at the wholesale level.

3. That the City Attorney continue to support the case of *Aguilar et. al. v. Atlantic Richfield* in which the City has filed an amicus brief.

4. That the City Manager return to Council with a recommendation of how the City Council may revise the approval process and fee structure for construction of new gasoline stations within the City so as to encourage new development and foster a competitive economic environment by increasing the number of gasoline stations within the City.

5. That the City Manager report to Council with a proposal for obtaining information as to the lowest gasoline prices within The City of San Diego and list those stations with the lowest gasoline prices on The City of San Diego Web Page and the City Access Channel.

APPROVED: CASEY GWINN, City Attorney

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