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Docket Number: 23-OIIP-01*

## **RFI for SB X1-2 Margin Cap and Penalty**

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Docket Number 23-OIIP-01

*Additional submitted attachment is included below.*



May 3, 2024

California Energy Commission  
715 P Street  
Sacramento, CA 95814

**Comment Title: RFI for SB X1-2 Margin Cap and Penalty**  
**Subject: - Docket Number 23-OIIP-01**

Dear Commissioners:

I am writing on behalf of the members of the Arizona Trucking Association (ATA). In Arizona, the trucking industry employs over 165,000 people, accounting for approximately 1 in every 16 jobs. However, as an industry, we face a severe shortage of drivers. Our focus is on attracting more drivers to address this shortage, which is a top concern for all motor carrier leaders, drivers, officials, and suppliers.

Fuel prices are the top concern across our industry nationally, and what you are considering could have dire consequences for our industry. Your work of implementing SB X1-2 is effectively signaling a collapse of both oil and gas exploration and refining for markets that serve us in Arizona. Your staff report on the transportation fuels assessment suggests only hope as a plan for our drivers to find increased fuel supplies in states east of California. These are essential workers that deliver goods into and out of California.

We now understand that your California's Transportation Fuels Assessment work implementing SB X1-2 is shining a flashing red alarm for our entire industry. It seems to us that you are going against your mission of ensuring a reliable supply of affordable and adequate transportation fuels. You are considering solutions that will increase fuel prices throughout all Southwest states. We ask that you choose wisely and ask more questions about how your choices will affect interstate commerce, especially in Arizona. We face a combined double-threat of the two most pressing concerns among our ranks: 1) not enough drivers; and 2) rising fuel prices.

The reality today is that California's valuable refinery operations export necessary fuels to us in Arizona via pipelines—every single day. It's not only 31,000 barrels per day in diesel fuel but 53,000 barrels per day in gasoline and 29,000 barrels per day in jet fuel. We are asking you at the California Energy Commission to shine a bright light on how implementation of SB X1-2 will disrupt our supply of fuels. We need to learn in detail the steep price you are asking our industry and people to pay from your actions. It seems clear to us that what is being proposed will jeopardize fuel supplies and dramatically increase fuel prices for Arizona drivers. This is wrong and we ask with great respect for you to consider more deeply the complexity of our state's connectedness to California's fuels refiners.

You are not appointed by Arizona elected officials nor do you answer to Arizonans but the decisions you make will harm our drivers and our way of life. We ask for better research, detailed analysis, a much more iterative process with all stakeholders, and more expansive decision-making that helps ensure a strong supply of exported fuels to Arizona.

Our entire region needs more refineries, more fuel production, and a growing supply of available fuels of all types. Please stop making this problem worse. We need more fuel today than ever before. Our interstate commerce hangs in the balance.

Sincerely,

A handwritten signature in blue ink that reads "Tony Bradley". The signature is fluid and cursive, with a long horizontal flourish underneath.

Tony Bradley  
President and CEO