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April 30, 2003

The Honorable Bill Morrow  
California State Senate  
State Capitol, Room 4048  
Sacramento, CA 95814

**RE: SB 304**

Dear Senator Morrow:

AuTO-CA represents over 400 independently owned service station dealers, auto repair shops, car washes and convenience stores throughout the state. Our members are not the major oil companies; we are small business owners.

The oil companies are using a combination of vertical integration, wholesale price discrimination and creative retail price fixing schemes in California that are questionably legal under existing state and federal antitrust laws. These schemes discourage retail price-cutting by both independent branded and unbranded dealers. The end result of these marketing schemes is artificially high pump prices for California consumers, a mega-billion dollar annual negative impact to the state's economy and greatly inflated oil company profits. SB 304 will help lower pump prices and provide long overdue relief to the economy of California and its consumers without large-scale public intervention into the marketplace.

We heartily support SB 304 and commend your efforts in this endeavor. AuTO-CA stands ready to assist your staff and committee in passing this important legislation.

Should you have questions regarding this correspondence or other materials you receive related to the oil industry, please don't hesitate to contact me at the AuTO-CA office.

Sincerely,

*Will L. Woods*

Will L. Woods, CAE  
Executive Director

CC: Senate Committee on Energy, Utilities and Communications