

# Texas oil refiners deep in the heart of California politics

**Robert Salladay, California Watch, 3-8-10**

Two Texas oil companies have been evasive about whether they are backing a California ballot initiative that would suspend the state's landmark global warming law, signed with fanfare by Gov. Arnold Schwarzenegger in 2006.

But it wouldn't be surprising if Tesoro Corp. and Valero Energy Corp. were behind the initiative to delay AB 32.

The Texas companies – which operate refineries in Benicia and Wilmington, Martinez and Los Angeles, and hundreds of gas stations throughout California – have been well-known players in the fight to weaken global warming legislation at the federal level, and they are major donors to state politicians working for the same goals.

The California ballot initiative – which would suspend AB 32 until the state unemployment rate falls to 5.5 percent – is being sponsored by Assemblyman Dan Logue, R-Chico, as well as Rep. Tom McClintock, R-Rocklin.

Last year alone, the oil and energy industries donated \$14,200 to Logue's campaign coffers, including \$2,000 from Valero. Other Logue donors in 2009 include Chevron, Occidental, and the California Independent Petroleum PAC.

But that's small change for the Texas-based oil companies.

In 2009, Valero donated \$160,450 to more than 40 other California politicians and political action groups, including \$85,000 to the state Republican Party.

Tesoro's donations last year added up to \$123,500, including \$110,000 to the Committee for Industrial Safety in Contra Costa County, a consortium of Shell, Tesoro, ConocoPhillips and Chevron refineries in the area. (The group recently donated \$102,000 for a safety patrol.)

While he pushes a delay of the global warming law, Logue has been touting an economic impact study conducted by Sacramento State – highly criticized by environmentalists – that contends AB 32 would cost \$3,000 for each household and as much as \$40,000 a year for small businesses. Logue told Cosmo Garvin at the Sacramento News & Review:

It would absolutely break the back of California business. ... My problem is that California is being asked to go it alone. We don't think California should have to play by different rules than the rest of the country.

Representatives for Tesoro and Valero have declined to say whether they were funding the signature-gathering effort, after Capitol sources told ClimateWire that the Texas oil companies were the "sole funders" so far. Signature-gathering efforts for initiatives can cost as much as \$2 million or more.

Representatives of Tesoro and Valero, along with Logue, referred questions to their new Sacramento political PR firm, Goddard Claussen, which only said the proper disclosures would be made in due time. But Goddard

Claussen said it expects the necessary 435,000 signatures required to qualify for the general election ballot will be ready by the first week of June.

"It's a brash move for two giant Texas oil companies to try to buy off California politicians and then buy their way onto the ballot," said political consultant Steve Maviglio, who is working with the pro-AB 32 groups. "But we believe Californians will see this deceptive initiative for what it is: two of the state's largest polluters trying to kill California's clean energy economy and skirt our state's clean air laws."