



MAYOR ROBERT GARCIA
CITY OF LONG BEACH

May 21, 2015

The Honorable Hannah-Beth Jackson
California State Senate
State Capitol, Room 2032
Sacramento, CA 95814

RE: Oppose unless amended – SB 545 (Jackson). Oil and Gas Operations

Dear Senator Jackson:

On behalf of the City of Long Beach (City), I write to respectfully submit an *oppose unless amended* position on SB 545. SB 545 hurts State and local revenues by fundamentally altering the primary mission of the State's Division of Oil, Gas and Geothermal Resources (DOGGR). While Long Beach is a benefactor of the oil operations, the State of California is the majority recipient of profit from the oil field off the coast of Long Beach. In FY 13, Long Beach oil operations provided \$308 million or 71 percent of the State Lands Commission's total revenues that year. Equally concerning, is the impact SB 545 would have on quality jobs in Long Beach.

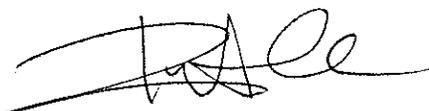
As a coastal city with extensive on-shore and off-shore oil operations, the City serves as the State of California's trustee in overseeing local oil operations. This component of the City's economy employs engineers, welders, pipe fitters, electricians, and crane operators. Long Beach has an unblemished safety record in conducting oil operations under the regulation of the State's Division of Oil, Gas and Geothermal Resources (DOGGR), and has safely conducted domestic oil production for over 75 years. Receiving timely approvals from DOGGR is critical to the success of these operations.

Should SB 545 pass, DOGGR's permitting process would likely slow to the point where it may no longer be feasible to conduct oil operations. These changes threaten the substantial annual profits the State receives. The oil field is a 24/7 operation that relies on consistent DOGGR permit approvals. For example, approval to drill or work on water injection wells is critical to arresting land subsidence. Before water injection became standard practice, subsidence significantly impacted the topography of Long Beach; areas in the Port of Long Beach experienced up to 29 feet of elevation loss. Since that time, water injection has been able to stabilize subsidence in the City. Delays to permits that manage subsidence would be detrimental to the City and surrounding communities.

As an alternative solution, Long Beach believes the intended goals of SB 545 may be achieved through requiring DOGGR to make their website more user-friendly to the general public, and have all permit requests that are received by DOGGR posted online. This change will enable the public to view pending permits and ask questions of DOGGR before a permit is approved. While DOGGR is required to respond to a permit applicant within 10 working days, DOGGR also has the authority during this period to request additional information that extends the timeline for permit approval. We respectfully request these amendments, so that our common interests may be met.

Given the potential State and local revenue impacts, impacts of quality jobs and the Long Beach economy, the City of Long Beach respectfully submits an *oppose unless amended* position on SB 545.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Garcia', written over a horizontal line.

Mayor Robert Garcia
City of Long Beach

cc: The Honorable Ricardo Lara, State Senate, 33rd District
The Honorable Janet Nguyen, State Senate, 34th District
The Honorable Isadore Hall, III, State Senate, 35th District
The Honorable Anthony Rendon, State Assembly, 63rd District
The Honorable Mike Gipson, State Assembly, 64th District
The Honorable Patrick O'Donnell, State Assembly, 70th District