

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, according to AAA, on May 18, 2022 the average price for a gallon of regular gasoline in Los Angeles reached \$6.08, leaping 2.3 cents overnight and breaking a record set earlier this year, and a nearly 45 percent increase compared to February 2020, a trend that is not unique to Los Angeles as the cost of gas spikes across the nation; and

WHEREAS, a number of factors are contributing to the current run on gas prices – the Russian invasion of Ukraine, which resulted the international market cutting ties with Russia’s oil supply, global supply chain issues, a reduction in oil refining output in the U.S., inflationary pressures, and California’s unique blend of cleaner fuel costs more to produce, among others; and

WHEREAS, oil futures and other speculative activity, which offer a way for a purchaser to bet on whether a commodity will increase in price may also be contributing to price spikes at the pump and resulting in the “locking up” of much-needed supply and artificially increasing the price per barrel and further downstream the price American consumers are paying at the pump; and

WHEREAS, today, at \$110.82 the price for a barrel of crude oil has nearly doubled since the beginning of 2020 despite supply largely keeping pace with demand, the International Energy Agency’s unprecedented collective release with member countries outside the United States of an additional 60 million barrels, the largest-ever release of oil from the U.S. Strategic Petroleum Reserve, and unprecedented imports of crude from Latin America during the month of April – together with the United States’ commitment, this will add a combined global amount of 240 million barrels to the market; and

WHEREAS, the U.S. House of Representatives recently passed the COVID–19 Price Gouging Prevention Act (H.R.675) would make it unlawful for any person to sell or offer for sale a consumer good or service during a public health emergency resulting from COVID-19 at a price that is unconscionably excessive, and indicates that the seller is using the circumstances related to the public health emergency to increase prices unreasonably; and

WHEREAS, the H.R. 675 further provides authority for the Federal Trade Commission and state attorneys general to enforce the requirements of this bill; and

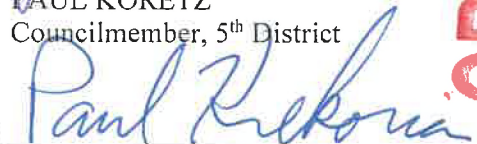
WHEREAS, Angelenos are paying record-high gas prices during a continued declaration of emergency related to the COVID-19 pandemic and under intense inflationary pressures – the present volatility of the oil and gas market going well beyond free-market competition – meanwhile, companies and financial investors are raking in profits while Americans from communities large and small struggle to afford record-high prices at the pump;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2021-2022 Federal Legislative Program SUPPORT for the COVID–19 Price Gouging Prevention Act (H.R. 675) which would make it unlawful for any person to sell or offer for sale a consumer good or service during a public health emergency resulting from COVID-19 at a price that is unconscionably excessive.

PRESENTED BY:


PAUL KORETZ
Councilmember, 5th District

SECONDED BY:



ORIGINAL

JUN 01 2022

