



September 11, 2025

Senator Grayson
1021 O Street, Suite 7250
Sacramento, CA 95814

RE: Senate Bill 237 (Grayson) – Support

Dear Senator Grayson:

Associated Builders and Contractors of California (ABC CA) is a statewide organization representing approximately 80,000 working Californians in carpentry, construction, construction craft laborer, electrical, low voltage, painting, plumbing, pipefitting, and sheet metal who are building commercial, industrial and affordable housing projects, and we write to express our support for SB 237 (Grayson). This bill is intended to ensure a reliable supply of transportation fuels and, among other actions, deems the Kern County Second Supplemental Recirculated Environmental Impact Report sufficient for full compliance with the requirements of CEQA for up to 2,000 new oil well permits in Kern County per calendar year.

According to the CEC, Californians consumed 13.4 billion gallons of gasoline in 2024 alone. Millions of Californians still rely on gasoline to go to work, attend school, visit loved ones, and maintain their daily lives. The impending closure of two oil refineries threatens to cut nearly 20% of the state's refining capacity, which will drive up the cost of gasoline at a time when Californians are struggling with rampant inflation and a cost-of-living crisis.

This measure eases the heavy-handed regulatory burden that pushes companies to scale back their California operations or even shut down facilities entirely. Streamlining the regulatory process will encourage remaining producers of transportation fuel to maintain investment and participation in the state's economy, keeping gasoline affordable for everyday Californians.

Recent amendments have removed the project labor agreement (PLA) and community benefits agreement (CBA) requirements included in the previous iteration of the bill. These mandates threatened to drive up costs for interested companies and deter them from pursuing new permits, directly undermining the goal of this bill.

ABC CA commends the author of SB 237 for omitting the PLA mandate that would have unfairly discouraged competition from safe, qualified merit shop contractors and their employees and apprentices. In fact, a majority of the existing oil and gas workforce in California works for Merit Shop Contractors that are non-signatory to a union. Merit shops that bid on PLA projects are required to obtain most or all of their workers from union hiring halls, effectively barring their existing employees from working on these construction sites. These hard-working Californians will now have the same

opportunity as their union counterparts to work on major energy projects that keep California running and affordable for all.

For these reasons, ABC of CA supports SB 237.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Gutierrez", with a long, sweeping horizontal line extending from the end of the signature.

Greg Gutierrez
Chair of the Board

CC: Members of the California State Assembly