



Western States Petroleum Association
Credible Solutions • Responsive Service • Since 1907

Catherine H. Reheis-Boyd
President

January 30, 2012

The Honorable Jerome Horton
Chairman, Board of Equalization
450 N Street, MIC:72
Sacramento, CA 95814

Re: *Western States Petroleum Association v. State Board of Equalization*

Dear Chairman Horton,

The Western States Petroleum Association (WSPA) is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California, Arizona, Nevada, Oregon, Washington and Hawaii. I am writing to express our Association's opposition to the State Board of Equalization's potential appeal of the State Court of Appeals decision in the case *Western States Petroleum Association vs. State Board of Equalization* regarding State Board of Equalization Rule 474.

On January 19, 2012, the second appellate court invalidated the State Board of Equalization's Rule 474 because it is inconsistent with R&TC §51. The appellate court also concluded that the Board's economic impact statement for Rule 474 was inadequate under the Administrative Procedures Act.

As a result of this carefully drafted and well founded opinion, I urge the board to not file a petition to the California Supreme Court, a topic of discussion at the Board's January 31, 2012 closed session meeting. Filing a petition to the California Supreme Court would be a waste of taxpayer dollars and precious state resources.

Thank you for your consideration. If you have any questions please contact me at (916) 498-7752, or WSPA staff representative, Nick Ortiz, at (661) 321-0884.

Sincerely,

A handwritten signature in black ink that reads "Catherine Reheis-Boyd". The signature is written in a cursive, flowing style.

Catherine Reheis-Boyd
President
Western States Petroleum Association

Cc: Members of the State Board of Equalization (Ms. Yee, Mr. Runner, Ms. Steel, Controller Chiang)
Kristine Cazadd, Executive Director, State Board of Equalization