



# Petroleum Enforcement Program

## Description

The Petroleum Enforcement Program (Program) was created through the Motor Oil Substitution Act of 1931 to prevent fraud or misrepresentation in the distribution and sale of gasoline or other motor fuel, distillate, kerosene, and lubricating oil. Today, in addition to establishing and enforcing the quality standards for fuels and automotive products, the Program is responsible for the correct advertising and labeling of those products.

## Activities

The Program is responsible for marketplace oversight that maintains and enforces minimum performance and drivability standards for most petroleum and automotive products sold in California (i.e., gasoline, gasoline/oxygenate blends, diesel fuel, motor oil, kerosene, brake fluid, automatic transmission fluid, engine coolant and gear oil). Samples of products are purchased from the marketplace openly by government officials or undercover. Samples are then taken to the Program's laboratory for testing using procedures developed by ASTM International and SAE International.

Product that does not meet specifications is taken off sale and the appropriate enforcement action taken. This protects industry from unfair competition by producers or distributors who offer substandard or contaminated products for sale.

The Program is also responsible for regulating the advertising and labeling of fuels and automotive products. Program staff works with county officials to enforce the State's petroleum and automotive products quality, quantity, advertising and labeling laws. The Program also enforces required signage relating to disabled drivers services and Air and Water equipment.

## Program Importance

By eliminating false advertising and misrepresentation of prices and product quality, the Program provides customer confidence when purchasing petroleum and automotive products and ensures uniformity, fairness and honest competition in the marketplace. Through vigilant oversight, California drivers are assured access to the highest quality products sold in the U.S.

## Budget

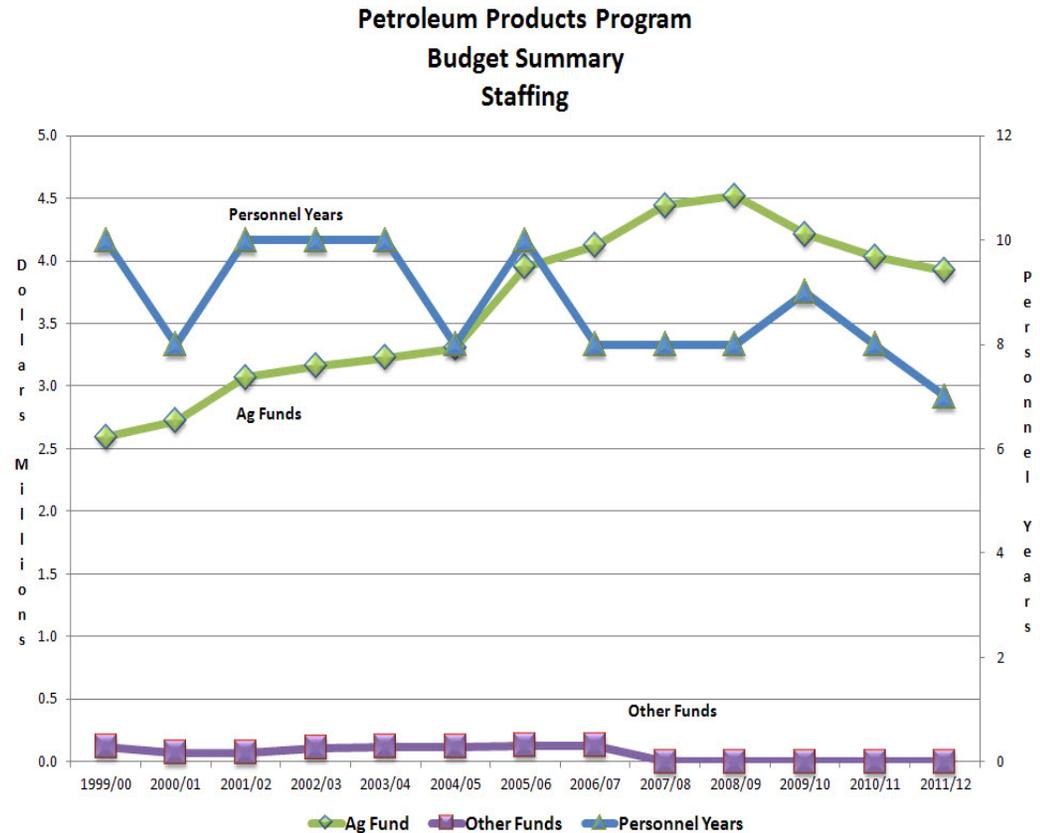
The Program was originally funded by a pump license fee that was assessed on every fuel dispenser in California. The time and effort to collect the fee became nearly impossible to manage; in 1978 the Division worked with industry groups to find another funding source. The funding for the Program shifted to a fee on motor oil sold in California and is currently set at \$0.03 per gallon.

## Staffing

The Program has experienced a 50 percent reduction in staff over the last 10 years. The reductions have been primarily due to increasing enforcement costs coupled with an overall reduction in motor oil sold in California. With these reductions, the ability of program staff to adequately train and respond to complaints has been significantly reduced. Additionally, new motor oil, automatic transmission fluids, and alternative fuels have increased the drain on resources.

## Forecast

New technologies and efforts to increase fuel efficiencies have brought new products into the marketplace. The regulation of new fuels and lubricants, to provide the same protection to consumers and industry, is creating both technical and fiscal challenges to the Program. Current Program funding based solely on motor oil is outdated and inappropriate to address the new fuels and automotive products being created for the automotive sector.



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