



October 12, 2005

Deborah Platt Majoras
Chairman
Federal Trade Commission
600 Pennsylvania Ave NW
Washington, DC 20580

Dear Chairman Majoras:

We, the Attorneys General of Hawaii and Oregon, and Co-Chairs of the NAAG Antitrust Committee, write you to express our concerns about the rising cost of gasoline in the wake of Hurricanes Katrina and Rita. Hurricanes Katrina and Rita have devastated the Gulf Coast and have pounded the U.S. economy with higher energy prices. As you know, high fuel prices also have an impact on other parts of the economy.

Consumers are increasingly concerned about the price of fuel. A recent Consumer Federation of America survey showed that more than three-quarters of consumers are highly concerned with the price of fuel over the next five years. As of today, the average price nationally for regular unleaded gasoline remains above \$3 a gallon. In the months ahead as temperatures fall, the cost of home heating oil will likely increase, creating substantial economic hardships for our constituents.

In your capacity as Chairman of the federal agency that enforces applicable antitrust and consumer protection laws related to the gasoline industry, we stand ready to assist you to investigate possible unlawful conduct by the petroleum industry and others that could be contributing to the increased cost of fuel. We understand that numerous forces can influence the price of gasoline at the pump and accept traditional models of supply and demand. However, the FTC is in a unique position to undertake close examination of whether fuel prices are the result of artificial market manipulations in the supply chain. We would be happy to assist you in any such initiative.

Our States and the FTC have worked cooperatively in the past to address myriad consumer protection and antitrust issues that threaten consumers and the integrity of the marketplace. As you know, more than 45 States have initiated a multistate inquiry to determine the causes of the sharp increase in fuel costs. We stand ready to assist the FTC in any investigation it so chooses to undertake. We thank you for your attention to this important matter.

Respectfully,

A handwritten signature in black ink that reads 'Mark J. Bennett'.

Mark Bennett
Attorney General of Hawaii
Co-Chair, NAAG Antitrust Committee

A handwritten signature in black ink that reads 'Hardy Myers'.

Hardy Myers
Attorney General of Oregon
Co-Chair, NAAG Antitrust Committee