Congress of the United States

House of Representatives

Washington, DC 20515

September 7, 2005

Attorney General Alberto Gonzales
Attorney General of the United States
U.S. Department of Justice
Washington, DC 20530

Chairwoman Deborah Majoras
Chairwoman
Federal Trade Commission
Washington, DC 20580

Dear Attorney General Gonzales and Chairwoman Majoras:

We are extremely concerned about gasoline price spikes around the country, and have been for quite some time prior to the devastating hurricane in the Gulf Coast. While many of us have been calling for investigations prior to this natural disaster, Hurricane Katrina has given new urgency to our concerns about price gouging and price fixing by the oil industry. Although supply disruptions and refinery shutdowns from the hurricane have certainly added to the gasoline price mayhem, we believe it is only part of the picture, and as such we are requesting an immediate investigation into other possible wrong-doing by industries that are making record profits at the expense of average American families.

As you know, prices at the pump have jumped precipitously overnight and news of $6 per-gallon gasoline in some parts of the country has led us to seek remedies that will protect American families who cannot afford to meet their basic transportation needs. This upward spiral in gas prices also hurts the businesses of small gas retailers who are at the mercy of their corporate suppliers.

We understand that there is no federal law specifically governing price gouging, and that price-gouging laws that do exist in states are usually triggered only when emergency situations develop. However, since the Federal Trade Commission Act outlaws unfair or deceptive practices in interstate commerce, including industry collusion and price fixing, this situation warrants an investigation to ensure that unfair practices are not occurring all along the production and supply chain, leading to unaffordable fuel costs for many families on fixed incomes and potential shortages at the pump.

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Just as the aftermath of terrorist attacks in September 2001 led to increased prices of gasoline between 30-40 cents per gallon on the basis of speculation, not necessarily because of shortages or increases in operating costs, we believe that the situation faced by the country today deserves a thorough federal investigation to complement potential statewide investigations into unfair practices, including collusion, price fixing or price-gouging.

As you recall, the post - September 11th investigations led to large fines to violators who were profiteering on the backs of American families. The opportunity again exists to rein in bad actors, and as such, we believe it is imperative that federal officials initiate a similar investigation immediately with an eye toward vigorously prosecuting any and all offenders.

Thank you for your immediate attention to this situation. We await your prompt response to our urgent request.

Sincerely,

Frank Pallone, Jr.

Jim Oberstar

Jose E. Serrano

Bart Stupak

John Olver

Pete Stark

Wm. Lacy Clay

John Barrow

Tim Ryan

Dan Boren

Harold Ford

Stephanie Herseth