



Congress of the United States  
House of Representatives  
Washington, DC 20515

September 21, 2005

The Honorable Deborah Platt Majoras  
Chairwoman  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Dear Chairwoman Majoras:

We would first like to thank the Federal Trade Commission (FTC) for testifying before the House Energy and Commerce Committee on gas prices in the wake of Hurricane Katrina. Mr. Seesel's testimony provided much insight into the FTC's role in monitoring gasoline prices.

We write today asking you to expand on the FTC's testimony in relation to this topic. As you know, gas prices are increasing at an astronomical rate. The Energy Information Administration noted a week ago last Thursday, "the U.S. average for regular gasoline rose 46 cents from the previous week to \$3.07 per gallon on Labor Day, September 5, just a nickel shy of the inflation-adjusted record of \$3.12 averaged over March 1981, and by far the highest price ever if not adjusted for inflation."

We understand supply and infrastructure issues related to Hurricane Katrina, as well as large global demand for crude, are significant factors contributing to high gas prices. However, we also have a responsibility to examine industry practices to ensure Americans don't fall victim to price gouging. Title XVIII, Sec. 1809 of the recently enacted Energy Policy Act of 2005 directs the FTC to conduct an investigation into price gouging and other market practices. We respectfully request the FTC send us any preliminary results from this investigation that can shed light on how market practices may be affecting gasoline prices. In addition, Mr. Seesel's testimony noted, "At least for the part of this year that preceded Hurricane Katrina, the FTC's Gasoline Price Monitoring Project has detected no evidence of significant unusual local or regional gasoline pricing anywhere in the United States during this summer driving season." In light of recent price spikes, we would like to know the following:

- What has the FTC's Gasoline Price Monitoring Project revealed in the weeks since Hurricane Katrina? Please provide market information and analysis on prices.
- More specifically, what is the FTC's analysis on the fluctuation of prices at the wholesale level since Hurricane Katrina?
- Can the FTC provide an analysis of changes in gasoline inventories the week before Hurricane Katrina and the week following Hurricane Katrina? Is there an analysis on how inventories affected price?
- Along similar lines, data indicates while prices jumped 44 cents between August 29<sup>th</sup> and September 2<sup>nd</sup> for branded stations – or those flying the flag of a major refiner – wholesale prices for unbranded (independent) stores rose 73 cents per gallon. What is the FTC's explanation for such a large discrepancy?

As gas prices continue to rise, the American people are forced to dig deeper into their pockets to travel to work, pick their kids up from school or go to the supermarket. Given these circumstances, it is important we have a complete understanding of market practices to make informed decisions on what additional steps need to be taken to lighten the load borne by American taxpayers.

Thank you for your attention to this matter. Please don't hesitate to contact us with any questions.

Sincerely,



Roy Blunt  
Member of Congress



Vito Fossella  
Member of Congress



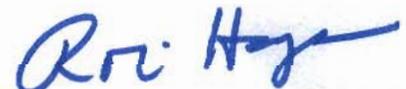
Jack Kingston  
Member of Congress



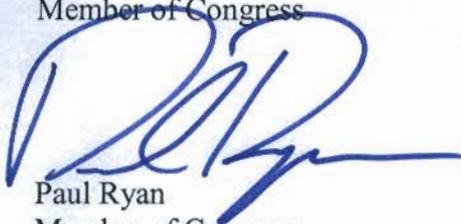
Darrell Issa  
Member of Congress



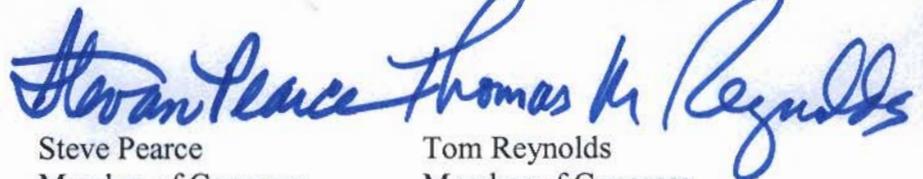
Mike Conaway  
Member of Congress



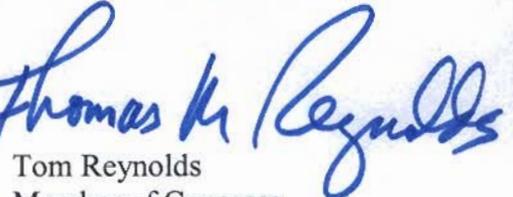
Robin Hayes  
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