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<sup>1</sup> Committee on Appropriations, United States Senate, Report 111-43, on the Financial Services and General Government Appropriations Bill, 2010, S. 1432, at 85 (July 9, 2009), *available at*

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<sup>3</sup> *See*

is not limited to, utilization and maintenance decisions, inventory holding decisions, product supply decisions, product margins and profitability, and capital planning.

The FTC also has looked into other types of conduct by firms in the oil and natural gas industries, including inquiries related to propane and investigations of possibly anticompetitive or possibly deceptive conduct at various stages of the refined petroleum products business. Some inquiries concerning energy prices have involved close cooperation between the FTC staff and state attorney general offices. For example, the FTC staff evaluated concerns raised by one state attorney general concerning gasoline prices in a particular part of a state.

### Petroleum Market Manipulation Rule

Pursuant to the process that the Commission established in November 2009 to monitor compliance with the Petroleum Market Manipulation Rule<sup>4</sup> – which prohibits manipulation in wholesale markets for crude oil, gasoline, or petroleum distillates – staff in the Bureau of Competition’s Office of Policy and Coordination examined the four communications regarding the Rule received from the public since January 1, 2011.<sup>5</sup> Complaints that evidence a serious possibility of a Rule violation are referred to the FTC litigation units that specialize in maintaining competition in energy industries. Complaints that concern activity in futures markets are shared with the Commodity Futures Trading Commission (through the FTC’s working relationship with that agency), to ensure that consumers are protected against fraud and deception in whatever form they take.<sup>6</sup>

### Oil and Gas Price Fraud Working Group

The interagency cooperation typified by the FTC-CFTC MOU has assumed a broader form in light of this spring’s increase in oil and gasoline prices. The Commission is continuing to assist the Oil and Gas Price Fraud Working Group, established by the Attorney General and composed of federal and state law enforcement agencies, to identify civil or criminal violations in the oil and gasoline markets and to ensure that American consumers are not harmed by any unlawful conduct.

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<sup>4</sup> The Commission issued this Rule under the authority of Section 811 of the Energy Independence and Security Act of 2007, 42 U.S.C. § 17301.

<sup>5</sup> The “Guide to Complying with Petroleum Market Manipulation Regulations” that the Commission issued in November 2009 (<http://www.ftc.gov/os/2009/11/091113mmrguide.pdf>) provides addresses – including an email address – to which the public may send complaints of possible Rule violations.

<sup>6</sup> As described in more detail below, FTC litigators and economists also continue to monitor prices and other activity in petroleum markets.

## Gasoline and Diesel Price Monitoring

During the relevant period, the FTC also continued a nearly decade-old project that has provided valuable information in connection with the agency's efforts to police conduct in the

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<sup>7</sup> See <http://www.ftc.gov/opa/2011/01/autowarranties.shtm>.

<sup>8</sup> See <http://www.ftc.gov/bcp/edu/multimedia/ecards/mom/2011/MothersDayTips.pdf>.

<sup>9</sup> See <http://www.ftc.gov/opa/2011/05/gassaving.shtm>.



In addition to the Bureau of Competition, one division of the Commission's Bureau of Economics bore major responsibility for conducting competition analysis of pricing and other competitive issues in the petroleum and natural gas industries. Staff from the Commission's Office of the General Counsel, the Bureau of Consumer Protection, the Office of Congressional Relations, the Commissioners' offices, the FTC's Regional Offices, and other FTC organizations also contributed to oil and natural gas matters during the first six months of 2011.

### Conclusion

The Commission has maintained its intensive antitrust and consumer protection scrutiny of the energy sector during the first half of 2011. In view of the fundamental importance of oil, natural gas, and other energy resources to the overall vitality of the United States and world economy, we expect that FTC review and oversight of the oil and natural gas industries will remain a centerpiece of our work for years to come.