

REPORT OF THE FEDERAL TRADE COMMISSION ON ACTIVITIES IN THE OIL AND NATURAL GAS INDUSTRIES

REPORTING PERIOD JANUARY-JUNE 2009

The Federal Trade Commission ("Commission" or "FTC")

¹ Explanatory Statement for Division D, Title V, Omnibus Appropriations Act, 2009, Pub. L. No. 111-8 (House Appropriations Committee Print at 983, available at http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_house_committee_prints&docid=f:47494d.pdf) As the Commission noted in previous reports to the Appropriations Committees, because this is a public report, it is drafted to exclude sensitive data of ongoing investigations, which the Commission is prohibited by law from revealing.

² Additional offices in the Bureau of Competition that have participated in oil and gas matters during the first half of 2009 include the Mergers and Acquisitions divisions, the Division of Anticompetitive Practices, the Division of Compliance, the Division of Technology and Information Management, the Office of Policy and Coordination, the Division of Operations, and the Office of Premerger Notification.

³ Although the bulk of the FTC's activities in the oil and natural gas sectors involves antitrust enforcement and economic analysis, the Bureau of Consumer Protection also prosecutes cases of importance to consumers of gasoline and other energy products. For example, on the 9, 2009, the U.S. District Court for the District of New Jersey entered a Stipulated Preliminary Injunction Order against Dutchman Enterprises, LLC, and other entities that, according to the Order, were "engaged in a concerted course of illegal activity by deceptively marketing a purported fuel-saving product in violation of Section 5 of the FTC Act." The FTC's Complaint charged the defendants with falsely advertising that their "Hydro-Assist Fuel Cell" boosts automobile gasoline mileage by at least 50 percent. See FTC Press Release, "FTC Sues Promoters of Bogus Fuel Efficiency Device" (Feb. 2, 2009), available at

⁶ This press release is available at <http://www.ftc.gov/opa/2009/05/gasprices.shtm>.

⁷ The Commission's 2008 ethanol report, available at <http://www.ftc.gov/os/2008/10/081117ethanolreport.pdf>, concludes that although "the trend of the industry to become more and more unconcentrated each year is now slowing or even slightly reversing," industry dynamics "make it extremely unlikely that a single ethanol producer or marketer, or a small group of such firms, could wield sufficient market

COMPETITION (2005),