

BETTY McCOLLUM
4TH DISTRICT, MINNESOTA



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SENIOR DEMOCRATIC WHIP

CONGRESSIONAL GLOBAL
HEALTH CAUCUS, CO-FOUNDER

1714 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-6631
FAX: (202) 225-1968

165 WESTERN AVENUE NORTH
SUITE 17
ST. PAUL, MN 55102
(651) 224-9191
FAX: (651) 224-3056

UNITED STATES
HOUSE OF REPRESENTATIVES

www.house.gov/mccollum

May 21, 2013

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairwoman Ramirez:

Gas prices in Minnesota have spiked, increasing as much as \$1 per gallon in the past month, to a level that has my state's consumers paying the highest gas prices in the lower 48 states. Today, gas is averaging \$4.28 per gallon in Minnesota and as high as \$4.49 per gallon. My constituents and I find this both outrageous and unacceptable.

News reports have attempted to explain this extreme price increase as the result of numerous simultaneous oil refinery slowdowns – both planned and unplanned. These slowdowns supposedly have substantially reduced the supply of gasoline to Minnesota. While refiners must adjust their plants for seasonal gasoline blends and perform necessary upgrades to protect worker safety and repair equipment, scheduled maintenance should not be allowed to contribute to such a major gasoline shortage, price spikes, and economic pain for consumers.

I am writing to request that the FTC immediately open an investigation to determine the rationale for price spikes in Minnesota, including investigating the possibility of antitrust law violations related to the temporary closure of refineries. In 2007, Congress gave the FTC unique authority to investigate and prevent any manipulative or deceptive device or contrivance that could result in unjustifiably high gasoline prices. The FTC can only uphold this mandate by actively monitoring markets and investigating unusual behavior. A full investigation by the FTC into this unusual and excessive Minnesota price spike is warranted.

In addition, I request that the FTC establish a permanent gasoline and oil market oversight unit modeled on the Federal Energy Regulatory Commission's (FERC) Division of Energy Market Analytics and Surveillance. FERC's anti-manipulation authority in natural gas and electricity markets mirrors the FTC oil market authority nearly word for word. With its authority, FERC has built an entire division of market monitoring professionals who oversee trading in real time to protect consumers from malicious trading practices. The FTC should establish its own unit to oversee oil markets.

I urge prompt action in this important matter.

A handwritten signature in blue ink that reads "Betty McCollum".

Betty McCollum
Member of Congress