

HENRY A. WAXMAN, CALIFORNIA  
EDWARD J. MARKEY, MASSACHUSETTS  
RICK BOUCHER, VIRGINIA  
EDOLPHUS TOWNS, NEW YORK  
FRANK PALLONE, Jr., NEW JERSEY  
BART GORDON, TENNESSEE  
BOBBY L. RUSH, ILLINOIS  
ANNA G. ESHOO, CALIFORNIA  
BART STUPAK, MICHIGAN  
ELIOT L. ENGEL, NEW YORK  
ALBERT R. WYNN, MARYLAND  
GENE GREEN, TEXAS  
DIANA DeGETTE, COLORADO  
VICE CHAIRMAN  
LOIS CAPPS, CALIFORNIA  
MIKE DOYLE, PENNSYLVANIA  
JANE HARMAN, CALIFORNIA  
TOM ALLEN, MAINE  
JAN SCHAKOWSKY, ILLINOIS  
HILDA L. SOLIS, CALIFORNIA  
CHARLES A. GONZALEZ, TEXAS  
JAY INSLEE, WASHINGTON  
TAMMY BALDWIN, WISCONSIN  
MIKE ROSS, ARKANSAS  
DARLENE HOOLEY, OREGON  
ANTHONY D. WEINER, NEW YORK  
JIM MATHESON, UTAH  
G.K. BUTTERFIELD, NORTH CAROLINA  
CHARLIE MELANCON, LOUISIANA  
JOHN BARROW, GEORGIA  
BARON P. HILL, INDIANA

ONE HUNDRED TENTH CONGRESS

*U.S. House of Representatives*  
**Committee on Energy and Commerce**  
**Washington, DC 20515-6115**

JOHN D. DINGELL, MICHIGAN  
CHAIRMAN

JOE BARTON, TEXAS  
RANKING MEMBER  
RALPH M. HALL, TEXAS  
J. DENNIS HASTERT, ILLINOIS  
FRED UPTON, MICHIGAN  
CLIFF STEARNS, FLORIDA  
NATHAN DEAL, GEORGIA  
ED WHITFIELD, KENTUCKY  
BARBARA CUBIN, WYOMING  
JOHN SHIMKUS, ILLINOIS  
HEATHER WILSON, NEW MEXICO  
JOHN B. SHADEGG, ARIZONA  
CHARLES W. "CHIP" PICKERING, MISSISSIPPI  
VITO FOSSELLA, NEW YORK  
STEVE BUYER, INDIANA  
GEORGE RADANOVICH, CALIFORNIA  
JOSEPH R. PITTS, PENNSYLVANIA  
MARY BONO, CALIFORNIA  
GREG WALDEN, OREGON  
LEE TERRY, NEBRASKA  
MIKE FERGUSON, NEW JERSEY  
MIKE ROGERS, MICHIGAN  
SUE MYRICK, NORTH CAROLINA  
JOHN SULLIVAN, OKLAHOMA  
TIM MURPHY, PENNSYLVANIA  
MICHAEL C. BURGESS, TEXAS  
MARSHA BLACKBURN, TENNESSEE

July 16, 2007

DENNIS B. FITZGIBBONS, CHIEF OF STAFF  
GREGG A. ROTHSCHILD, CHIEF COUNSEL

The Honorable William E. Kovacic  
Commissioner  
Federal Trade Commission  
600 Pennsylvania Avenue, N.W.  
Washington, D.C. 20580

Dear Commissioner Kovacic:

Thank you for appearing before the Subcommittee on Oversight and Investigations on Tuesday, May 22, 2007, at the hearing entitled "Gasoline Prices, Oil Company Profits, and the American Consumer." We appreciate the time and effort you gave as a witness before the Subcommittee.


Under the Rules of the Committee on Energy and Commerce, the hearing record remains open to permit Members to submit additional questions to the witnesses. Attached are questions directed to you from certain Members of the Committee. In preparing your answers to these questions, please address your response to the Member who has submitted the questions and include the text of the Member's question along with your response.

To facilitate the printing of the hearing record, your responses to these questions should be received by no later than the close of business **Monday, July 30, 2007**. Your written responses should be delivered to **316 Ford House Office Building** and faxed to **202-225-5288** to the attention of Kyle Chapman, Legislative Clerk. An electronic version of your response should also be sent by e-mail to Mr. Kyle Chapman at [kyle.chapman@mail.house.gov](mailto:kyle.chapman@mail.house.gov) in a single Word formatted document.

The Honorable William E. Kovacic  
Page 2

Thank you for your prompt attention to this request. If you need additional information or have other questions, please contact Kyle Chapman at (202) 226-2424.

Sincerely,



JOHN D. DINGELL  
CHAIRMAN

Attachment

cc: The Honorable Joe Barton, Ranking Member  
Committee on Energy and Commerce

The Honorable Bart Stupak, Chairman  
Subcommittee on Oversight and Investigations

The Honorable Ed Whitfield, Ranking Member  
Subcommittee on Oversight and Investigations

The Honorable Gene Green, Member  
Subcommittee on Oversight and Investigations

## **The Honorable Gene Green**

1. Commissioner Kovacic, in your testimony you state that the Commission has “brought more merger cases at lower levels of concentration in the petroleum industry than in any other industry.” Given this statistic, do you feel FTC is particularly vigilant to oil industry mergers?
2. Another witness today has submitted in their testimony that FTC is “not adequately protecting consumers...by allowing too many mergers and taking a stance too permissive to anti-competitive practices.” How do you respond to this accusation?
3. To the best of your memory, how many investigations or studies has FTC conducted regarding allegations of potential price gouging or price manipulation? Have any of these studies determined any evidence of manipulation?
4. FTC Chairman, Deborah Platt Majoras, testified to Congress last year on FTC’s Investigation of Post-Katrina Gasoline Price Increases. She commented on proposed Federal price gouging legislation and stated that several factors should be considered to enact a price gouging statute to have the smallest adverse impact on rational price incentives. These factors include the need for the legislation to clearly define the price gouging statute, account for increased business costs, provide for consideration of local, national, and international market conditions, and account for a market-clearing price.
  - Can you elaborate on why FTC considers these provisions so critical to any proposed price-gouging bill? What are the implications if these provisions are omitted from any legislation Congress may enact?
5. As you know, GAO commissioned a report which analyzed the effects of petroleum industry mergers from 1997-2000, which alleged that in six of the eight transactions examined, mergers caused gasoline prices to increase. Did FTC agree with these findings, and if not, what problems did FTC have with the study?