www.argusmediagroup.com

September 10, 2008

Federal Trade Commission
Office of the Secretary
Room H-135 (Annex G)
600 Pennsylvania Avenue, NW
Washington, DC 20580

Re: Market Manipulation Rulemaking, P082900

Argus Media submits the following comments with respect to the Commission's Notice of Proposed Rulemaking prohibiting market manipulation in the petroleum industry, pursuant to Section 811 of the Energy Independence and Security Act of 2007.

In the interests of maintaining fair markets, healthy competition, and reducing manipulative market practices, Argus asks that any rule promulgated by the FTC do no harm to the free flow of market information from market participant to index publisher, and also do nothing to harm the existing competitive structure among index publishers. As outlined below, actions that support these concerns will actually reduce the chance of market manipulation in the energy sector.

Argus is an independent energy news and price reporting agency with almost 40 years of experience providing index prices in all global energy trading centers, including over 25 years operating in the US. Argus uses a precise and transparent methodology to assess prices in the crude, gasoline, petroleum distillate, gas liquids, electricity, natural gas, coal, emissions and transportation markets. Many Argus assessments are used as a reference price by major market participants in physical and swaps contracts. Argus also publishes a broad range of business-critical intelligence reports on the energy, transportation and emissions markets which contain exclusive data and expert analysis of industry developments and trends.

Established in 1970, Argus has over 200 employees worldwide and is headquartered in London. Argus has offices in Washington, Houston, New York, Singapore, Tokyo, Beijing, Sydney, Moscow, Kiev, and Dubai as well as employees in other key locations including Germany, France, South Africa, and Chile.

Argus' goal is to develop price assessments that are suitable for use as price benchmarks in spot trade, term contracts, derivatives benchmarking, mark-to-market, tax-reference and royalty pricing, exchanges, and transfer pricing. We design our methodologies in close consultation with all stakeholders, including producers, consumers, and regulators. Argus operates according to the best practices in the index publishing field, and maintains thorough compliance procedures throughout the firm, including a strict ethics policy that applies to all staff. We want to be seen as a preferred provider by our subscribers, who are held to equally high standards, while at the same time maintaining our editorial integrity and independence.

Argus has been a leading advocate of market transparency. Argus publishes transaction data used in the price formation process in our oil market reports, so that users can verify and audit the daily assessments and measure them against our stated methodology. Documents which detail our pricing methodology, specifications, and guidelines are available publicly at www.argusmediagroup.com.

The best way to ensure the accuracy of index prices provided by private reporting services like Argus is to include as much valid market data in the price formation process as possible. The vast majority of market participants in the US crude and refined products spot markets have asked Argus to employ a methodology that includes spot market transaction information that occurs throughout the entire trading day and to derive from these data mean values or volume weighted averages. Including trade from the entire day reduces the effect that any single entity or single transaction can have on the final published price. As a direct result of this methodology choice, Argus prices are used extensively in the US crude markets, and are used increasingly in the US gasoline and petroleum distillate markets. This methodology has proven suitable for spot market trading, long term contracts, swaps indexation, and internal accounting purposes. And the US Department of the Interior's Minerals Management Service uses Argus prices to index sales of crude in its Royalty-in-Kind program.

Related to this desire to incorporate as much valid market data as possible, any rule put forward by the FTC should seek to do no harm to the free flow of transactional information from the market participant to the index publisher. This information flow is vital to creating accurate indices. Currently the flow of transaction data to publishers is voluntary and robust enough to create representative spot market assessments for use by the energy industry. The free flow of information between market participant and publisher is as important to healthy spot markets as is the underlying transactional liquidity.

The inclusion of a specific intent requirement would encourage those who already provide market data to index publishers to continue to do so. These data could contain inadvertent errors or omissions that in no way constitute intent to manipulate. Absent a specific intent requirement, less transactional data will reach the index publisher, less data will enter the price formation process, and an increased chance of distortion in the indices produced may result.

Further, indices are required for the efficient functioning of the oil industry even in markets that are not actively traded. In thinly traded markets, index publishers must make intelligent assessments of the value of those markets, and the free exchange of information between market participant and publisher is vital to the process of intelligent assessment.

Argus Media Inc.
3040 Post Oak Boulevard, Suite 550, Houston TX 77056
Tel: (1 713) 968-0000; Fax (1 713) 622-2991
www.argusmediagroup.com

Market liquidity, the full use of market data, and the free flow of market information from industry to publisher are essential to the health of a market and to the prevention of manipulation.

Any rule put forward by the FTC should also do nothing to harm the existing competitive structure among US energy index publishers. The competition between index publishers encourages firms to service their clients with the most accurate, representative, and consistent price assessment methodologies. Multiple publishers with multiple methodological approaches ensures a competitive market in oil price benchmarking, and provides the energy industry with the ability to choose the service that is the most fair and accurate.

The FTC should also refrain from mandating any particular methodological approach for the assessment of spot markets in petroleum. Methodologies are constantly being amended as product specifications change, new markets emerge, and trading volumes fluctuate. Private entities are uniquely suited to monitor and respond to these frequent changes. If allowed to operate unfettered, natural competitive practices and the free choice of market participants will determine the best methodology.

Argus appreciates the opportunity to participate in this process and is available to the Commission for any further clarification.

Sincerely,

Daniel C. Massey
President
Argus Media Inc.
3040 Post Oak Blvd.
Houston, Texas 77056

Argus Media Inc.
3040 Post Oak Boulevard, Suite 550, Houston TX 77056
Tel: (1 713) 968-0000; Fax (1 713) 622-2991
www.argusmediagroup.com