

# United States Senate

WASHINGTON, DC 20510

April 25, 2006

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

Last week, you said that “the government has the responsibility to make sure that we watch very carefully and investigate possible price gouging” in the sale of gasoline, and that your Administration “will do just that.”

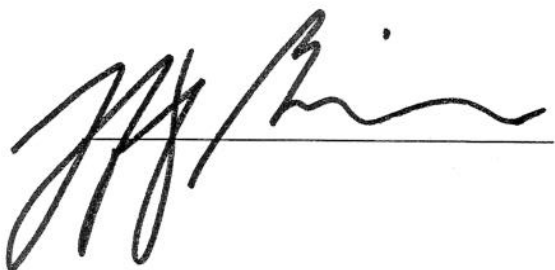
Last November, however, in a joint hearing before the Senate Committee on Energy and Natural Resources and the Senate Committee on Commerce, Science, and Transportation, the Chair of the Federal Trade Commission, Deborah Platt Majoras, testified that no “Federal statute makes it illegal to charge prices that are considered to be too high, as long as companies set those prices independently.” She went on to say that “[t]he omission of a Federal price-gouging law is not ... inadvertent,” but “reflects a sound policy choice....”

Moreover, in her prepared statement, Chair Majoras suggested that enactment of a federal price-gouging law would not be “appropriate,” and “likely will do consumers more harm than good.” She said that an oil company’s “independent decision to increase price is—and should be—outside the purview of the law.”

It is unclear how your statement that your Administration will take action against price gouging squares with Chair Majoras’s statements that price gouging is not illegal, that it should not be made illegal because it is both “difficult to define” and “difficult to enforce,” and that making it illegal “would unnecessarily hurt consumers.”

Do you, in fact, support enactment of a federal price gouging statute, and will your Administration fairly and vigorously enforce such a law if enacted?

Sincerely,



Bill Nelson

Mark Pryor

Robert Menendez

Samuel Alito

Eric Johnson

Jim Inhofe

Jack Reed  
Frank Lautenberg

Carl Levin

Patty Murray

Mark Leland

Ra Uluda

Dianne Feinstein

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