June 26, 2006

Emily Myers  
Antitrust Counsel  
National Association of Attorneys General  
750 First St., N.E. 
Suite 1100 
Washington, D.C. 20002

Dear Ms. Myers:

This letter is in response to NAAG’s recent request for Attorney General input on possible areas of inquiry regarding high gas prices, and seeking recommendations for possible areas of inquiry to the Federal Trade Commission (FTC).

After careful consideration, my Office has identified the areas outlined below as potential subjects for FTC inquiry. While these are not necessarily consumer protection or antitrust issues, the parameters of the inquiry appear to be broad and thus these ideas may be worth pursuing. While the FTC may be reluctant to pursue these areas because they are not law enforcement issues, they directly relate to the public’s frustration. Traditional law enforcement struggles with these issues and potential solutions.

1. Please detail how oil and gas companies are reinvesting their profits back into infrastructure and new energy development.

2. Please detail oil and gas companies’ investments in alternative energy and energy independence and discuss incentives that might encourage further investments.

3. Given the effect of supply and demand on energy prices, please conduct a forward-looking study to predict world supply and demand at various levels of the market.

4. Please address oil and gas companies’ investments in technologies meant to decrease fossil fuel emissions and environmental impacts from refining.
We hope this information is useful. These are complex issues and questions with no easy answers. Please do not hesitate to contact me if you have questions or would like additional information.

Sincerely,

MILTON H. DOUMIT, JR.
Acting Chief Deputy Attorney General

MHD/jlg