

March 7, 2003

Mr. Timothy C. Muris, Chairman  
Federal Trade Commission  
600 Pennsylvania Avenue NW  
Washington, D.C. 20580

Dear Chairman Muris:

We are writing to register our concerns about rising gasoline prices. We want to encourage the FTC in its efforts to investigate and prevent any market manipulation or other violations on the regional and national level, and also to volunteer that we will be watching and investigating if there is any evidence of illegal collusion among retailers or businesses in our states that are supposed to be competitors. We stand ready to cooperate with the FTC in any ways that may be helpful.

We are experiencing rising gasoline prices here in the Midwest, just as are other regions of the country. Here are examples for increases over the last year in Illinois, Wisconsin and Iowa:

|                      | Regular | Mid     | Premium | Diesel  |
|----------------------|---------|---------|---------|---------|
| Chicago - current    | \$1.765 | \$1.899 | \$1.958 | \$1.912 |
| year ago             | \$1.200 | \$1.291 | \$1.332 | \$1.325 |
| Des Moines - current | \$1.671 | \$1.759 | \$1.844 | \$1.742 |
| year ago             | \$1.170 | \$1.232 | \$1.291 | \$1.191 |
| Milwaukee - current  | \$1.752 | \$1.819 | \$1.903 | \$1.865 |
| year ago             | \$1.256 | \$1.305 | \$1.365 | \$1.248 |

We understand that market forces may well explain these increases, including sharply higher prices for crude oil in anticipation of war in the Mideast, refinery problems in Indiana and Minnesota, demand that is higher than ordinary for the winter season, and other legitimate supply-and-demand factors.

Our concern is whether there is any evidence also of illegal collusion between businesses that are supposed to be competitors, or any kind of illegal market manipulation by individual companies. For example, it is possible that businesses might try to take advantage of the current volatile market situation almost as a 'cover' for illegal collusion. We realize that independent businesses generally are free to set their own prices on their own, and that lawful competition tends to prevent price-gouging, but we want to be sure to detect and deter the possibility of any illegal practices.

We know that the FTC has established a program of monitoring wholesale and retail prices around the country – and watching for any patterns in states or localities that stand out as not explained or justifiable by the price of crude oil and other market factors. We especially ask you to look at markets for Illinois, Wisconsin and Iowa, and we in turn will be happy to provide you with any information we may have. We hope to determine if there are any pricing anomalies not readily explainable by lawful competition and market conditions, or if volatile market conditions might be used as cover for collusion in prices.

Midwest state attorney general offices cooperated with the FTC to investigate gas price hikes in the summer of 2000. The investigation concluded that the price hikes resulted from a variety of market forces, and in one instance by a company independently withholding supply in order to drive up prices. The investigation did not uncover illegal practices, but we think it did serve to deter illegal practices.

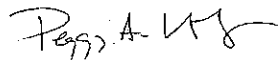
We also will be vigilant for any signs of illegal collusion among retailers in our own states. We have taken legal action in the past and certainly will do so again if there is any sign of such anticompetitive practices. We also will use any means at our disposal to communicate with the public and retailers to avoid what we saw immediately after the September 11 attacks – soaring prices based mostly on fear and misinformation about the supply of gas.

Thank you again for your efforts in this important arena. We stand ready to assist the FTC in any way possible, and we encourage you to stay in close communication with us if we can cooperate in any way.

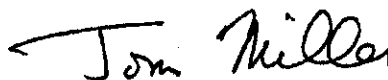
With best regards,



LISA MADIGAN  
Attorney General of Illinois



PEG LAUTENSCHLAGER  
Attorney General of Wisconsin



TOM MILLER  
Attorney General of Iowa