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August 2, 2013

The Honorable Eric Holder
Attorney General
United States Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530

The Honorable Edith Ramirez
Chairwoman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Attorney General Holder and Chairwoman Ramirez:

We are writing to express concerns that oil companies are engaging in anticompetitive practices aimed at blocking market access for renewable fuels. We urge you to investigate these allegations and, if true, whether they violate the nation's antitrust laws.

The Energy Independence and Security Act of 2007 (EISA) created the Renewable Fuel Standard (RFS) to promote the development and use of domestic renewable fuel. Since its inception, the RFS has helped to decrease oil imports and increase our energy security while reducing the price of gasoline for American consumers. Faced with growing competition from new sources of fuel promoted by the RFS, the oil industry has publicly stated their goal of repealing the RFS. At the same time, we have heard reports that oil companies are taking steps to undermine efforts to distribute renewable fuels that could help to meet the RFS requirement.

We have heard allegations that the oil industry is mandating retailers to carry and sell premium gasoline, thereby blocking the use of the current retail infrastructure to sell renewable fuels. Station owners who wish to sell renewable fuel would bear the cost and logistical burden of having to install additional infrastructure to do so. In one case, an oil company is alleged to be using its franchise agreements to preclude franchisees from offering higher level ethanol blends to their customers. By forcing a franchisee to carry premium gasoline as a condition of carrying regular gas, the oil company may be using its economic power over its franchisee to effect a tying arrangement in violation of the Sherman Act. This conduct may also violate the Gasohol Competition Act of 1980, which prohibits discrimination or unreasonable limits against the sale of gasohol or other synthetic motor fuels.

The promise of renewable fuels is rapidly becoming a reality and introducing much needed competition to the transportation fuels sector. Given the implication these alleged activities, if true, could have on competition in the marketplace, we urge you to investigate them and consider whether any action is necessary. We look forward to working with you to ensure that Americans can continue to realize the benefits of cheaper, cleaner renewable fuel.

Sincerely,



Senator Amy Klobuchar



Senator Chuck Grassley