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United States Senate

COMMITTEE ON SMALL BUSINESS & ENTREPRENEURSHIP

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May 13, 2026

The Honorable Andrew N. Ferguson
Chairman
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

Dear Chairman Ferguson,

Since the Trump administration began the war in Iran, gasoline prices have surged by more than 50 percent, while the largest oil and gas companies are reporting record profits and shipping American energy reserves abroad at historic volumes. I write to urge the Federal Trade Commission (FTC) to immediately open a formal investigation into whether oil and gas companies are engaging in price gouging, market manipulation, or anti-competitive pricing practices that are driving up costs for American families and small businesses. The American people deserve answers. The FTC has the authority and the obligation to provide them.

The national average price for a gallon of regular gasoline now stands at \$4.51—up from \$2.98 per gallon before President Trump began the war.¹ At these rates, American drivers will pay more than \$740 in additional gasoline costs per vehicle annually.² This is a burden American families cannot sustain. These price increases have not occurred in a vacuum—they have coincided with extraordinary profit-taking by the oil and gas industry.

The world's top oil and gas companies are expected to make \$234 billion dollars by the end of the year, if oil prices continue to average at or over \$100 per barrel.³ Over the month of March, those companies made \$23 billion in windfall war profits alone, representing the excess profit above standard operating conditions.⁴ BP's profits more than doubled, compared to the same

¹ AAA Gas Prices, *National Average*, <https://gasprices.aaa.com/> (May 6, 2026)

² https://newsroom.aaa.com/wp-content/uploads/2020/11/18-0090_2018-Gas-Watchers-Guide-Brochure_FNL-Lo.pdf *Frequently Asked Questions (FAQs): How much gasoline does the United States consume?* Energy Information Administration (March 29, 2024), <https://www.eia.gov/tools/faqs/faq.php?id=23&t=10>; *State Motor Vehicle Registrations 2023*, U.S. Department of Transportation Federal Highway Administration, (Nov. 2024), <https://www.fhwa.dot.gov/policyinformation/statistics/2023/mv1.cfm> Note: this number is calculated multiplying average American consumption of 376 million gallons per day from EIA by the added per-gallon cost from before the war to present, then adjusted for 365 days in a year and 279,945,533 registered personal and commercial vehicles in the country in 2023.

³ Damian Carrington, *\$30m an hour: big oil reaping huge war windfall from consumers, analysis finds*, The Guardian (Apr. 15, 2026), <https://www.theguardian.com/environment/2026/apr/15/big-oil-huge-war-windfall-consumers>.

⁴ *Id.*

period last year.⁵ Much of this profit is expected to go to executive paychecks, as I outlined in letters I sent to oil and gas CEOs last month.⁶ This is in addition to the more than \$75 billion in profit earned by the five largest oil companies—ExxonMobil, Chevron, ConocoPhillips, Shell, and BP—during President Trump’s first year in office.⁷

Even if the war ends soon, economists have long documented the “rockets and feathers” phenomenon in gasoline pricing—where retail prices rise rapidly when wholesale oil costs increase but fall only slowly when those costs decline.⁸ This asymmetric pricing behavior raises serious questions about whether oil and gas companies are taking long-term advantage of acute supply disruptions to maximize profits at consumers’ expense.

Compounding these concerns, new federal data reveals that the oil and gas industry is exporting domestic fuel at record volumes—even as American gasoline prices hit multi-year highs. Combined U.S. exports of crude oil and petroleum products surged to over 14 million barrels per day at the end of April, a new record.⁹ By comparison, those exports ran between 7 and 11 million barrels per day in recent years.¹⁰ Meanwhile, U.S. crude oil production has remained relatively unchanged, and domestic crude oil and gasoline inventories have fallen.¹¹ U.S. liquefied natural gas (LNG) exports are also expanding rapidly, as companies seek to capitalize on global shortages exacerbated by the war.¹² Yet it is well-established that increased LNG exports can raise domestic energy prices.¹³ As domestic fossil fuel companies chase higher prices abroad—and point to global supply disruptions as a reason to raise prices at a rate that far outpaces inflation—Americans are left paying for these profits at the pump and in their bills.

⁵ Jillian Ambrose, *BP profits more than double as oil prices soar in Iran war*, The Guardian (Apr. 28, 2026), <https://www.theguardian.com/business/2026/apr/28/bp-profits-oil-gas-prices-iran-war-first-quarter>.

⁶ Senator Edward J. Markey, letters to British Petroleum, Chevron, ConocoPhillips, Exxon Mobil, and Shell PLC (March 24, 2026), https://www.sbc.senate.gov/public/_cache/files/4/7/47b5050d-edf3-40df-a235-92dbd599eda3/8F3176C30DC3673361426A3C3576AB958CBE959E0131417B62027510069E4BB3.3.24.26-oilgas-execpay-letter-combined.pdf.

⁷ Press Release: U.S. Senate Committee on Small Business and Entrepreneurship, Ranking Member Markey Underscores the Skyrocketing Cost of Trump at the Pump as Big Oil Profits (Apr. 9, 2026), <https://www.sbc.senate.gov/public/index.cfm/2026/4/ranking-member-markey-underscores-the-skyrocketing-cost-of-trump-at-the-pump-as-big-oil-profits>.

⁸ Severin Borenstein, A. Colin Cameron & Richard Gilbert, *Do Gasoline Prices Respond Asymmetrically to Crude Oil Price Changes?*, 112 Q.J. Econ. 305 (1997).

⁹ *Weekly U.S. Exports of Crude Oil and Petroleum Products (Thousand Barrels per Day)*, U.S. Energy Information Administration, <https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WTTEXUS2&f=W> (last visited May 5, 2026).

¹⁰ *Id.*

¹¹ Anthony Harrup, *U.S. Crude Oil Stockpiles Fall for Second Straight Week*, Wall Street Journal, (May 6, 2026) <https://www.wsj.com/business/energy-oil/u-s-crude-oil-stockpiles-fall-for-second-straight-week-544de9b7>.

¹² Ivan Penn, *The World Needs Natural Gas Now, but the U.S. Is Exporting All It Can*, N.Y. Times (Apr. 28, 2026), <https://www.nytimes.com/2026/04/28/business/energy-environment/iran-hormuz-lng-united-states.html>.

¹³ Robert Walton, *US LNG exports raise electricity bills, gas prices and emissions, DOE report concludes*, Utility Dive (Dec. 18, 2024), <https://www.utilitydive.com/news/us-lng-exports-raise-electricity-bills-gas-prices-and-emissions-doe-repor/735876/>.

The oil and gas industry will argue, as it always does, that these dynamics are simply the product of global market forces beyond any individual company's control.¹⁴ Indeed, responses to inquiries from my office contend that because energy markets are complex and global in nature, refined fuel reaches end consumers through multiple supply chain pathways, and that no single company sets prices.¹⁵ The oil and gas companies argue that prices of globally traded oil, gasoline, and other refined products are driven by international markets and events—such as the current war in Iran—that companies cannot influence. But even if you accept the argument that big oil and gas companies are not active players in these global events, they can certainly capitalize upon them.

The industry will also argue, as they did in their response to our prior letters, that gas prices are ultimately set by independent franchisees, not by major oil companies themselves. This argument deserves scrutiny. While it is true that franchisees nominally own and operate many branded gas stations, those franchisees operate under supply agreements that require them to purchase fuel exclusively from the brand's distribution network, at prices set by the refiner—what the industry calls the “dealer tankwagon” price. Franchisees are also bound by “suggested” retail pricing guidelines, and deviating significantly from a brand's regional pricing strategy can trigger contractual consequences, including termination.¹⁶ For company-operated stations, the refiner sets prices directly, and station staff have zero discretion.¹⁷ Academic research has also found that the presence of same-brand stations in a local market is associated with higher retail prices—evidence consistent with brand-level price coordination rather than purely independent retail competition.¹⁸

These structural realities are precisely why the FTC's investigative authority matters. The FTC is uniquely positioned to examine whether this behavior crosses the line into illegal price gouging, market manipulation, or anti-competitive pricing practices. There is precedent for calling on the FTC to examine pricing behavior by oil and gas companies. In November 2021, President Biden wrote directly to then-FTC Chair Lina Khan, citing “mounting evidence of anti-consumer behavior by oil and gas companies” and requesting that the Commission determine whether illegal conduct was driving up prices at the pump.¹⁹ I have also previously written to the FTC express concerns about actions allowing oil executives with histories of colluding with the Organization of Petroleum Exporting Countries (OPEC) to join the boards of large U.S. oil

¹⁴ Robert K. Kelner, Esq., letter responding to Senator Edward J. Markey regarding gas prices and executive compensation at British Petroleum (April 29, 2026).

¹⁵ *Id.*

¹⁶ *Do Gas Stations Set Their Own Prices? Laws and Limits*, LegalClarity (Mar. 8, 2026), <https://legalclarity.org/do-gas-stations-set-their-own-prices-laws-and-limits/>.

¹⁷ Brian Norris, OPIS Insight, *Pricing 101: Demystifying Retail Fuel Prices and Players*, OPIS Insight, <https://www.opis.com/blog/demystifying-retail-fuel-prices-and-players/>.

¹⁸ Pablo Arocena et al., *Automotive fuel prices at branded and unbranded service stations: differences in the impact of seller density, brand concentration and search costs*, 18 Energy Sources, Part B: Economics, Planning, and Policy 1 (2023) <https://doi.org/10.1080/15567249.2023.2189330>

¹⁹ President Joseph R. Biden, Jr., letter to Federal Trade Commission regarding anti-consumer behavior from oil and gas companies (November 17, 2021), https://bidenwhitehouse.archives.gov/wp-content/uploads/2021/11/Final_Signed_FTC_Letter.pdf.

companies.²⁰ The FTC has clear statutory authority under Section 5 of the FTC Act to investigate unfair or deceptive acts or practices, including excess profits. I urge you to exercise that authority now.

Specifically, I request that the FTC investigate the following:

- Whether major oil and gas companies are coordinating, explicitly or tacitly, to fix or maintain elevated retail gasoline prices—including through pricing signals transmitted via the franchisor-franchisee supply chain;
- Whether oil and gas companies are deliberately adjusting domestic supply or prioritizing record export volumes in order to sustain elevated domestic prices and maximize profits during a period of international supply disruption;
- Whether the asymmetric “rockets and feathers” pricing pattern constitutes an unfair method of competition or an unfair practice under Section 5 of the FTC Act in the current market environment; and
- Whether the contractual relationships between major oil companies and their branded franchise networks give those companies sufficient de facto pricing power to constitute unlawful price maintenance or anti-competitive coordination.

The American people are not asking oil and gas companies to absorb unforeseeable losses or forgo reasonable returns. They are asking that these companies not exploit a geopolitical emergency and national energy affordability crisis to post windfall profit records as domestic pump prices reach multi-year highs. If supply chain disruptions driven by the United States’ war with Iran were the only cause of the rising prices at the pump, it would stand to reason that oil companies would be seeing expenditures and losses rise at the same time as gasoline costs. We are not seeing a neutral effect on profits, however—we are seeing oil companies secure surging excess windfall profits that are directly tied to their establishment of higher gasoline costs. This pattern is not sustainable and not acceptable for American households. The FTC has the tools to determine whether it is also illegal. I urge you to use them.

Thank you for your prompt attention to this matter.

Sincerely,



Edward J. Markey
Ranking Member, Committee on Small
Business and Entrepreneurship

²⁰ Senator Edward J. Markey, letter to the Federal Trade Commission regarding allowing individuals who colluded with OPEC to serve on corporate boards of U.S. oil companies, (August 5, 2025), https://www.markey.senate.gov/imo/media/doc/ftc_letter_on_big_oil_collusion.pdf.