

Duckworth Joins Schumer, Colleagues in Letter Demanding FTC Investigate Massive Mergers for Anticompetitive Harms

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WASHINGTON, D.C. – U.S. Senator Tammy Duckworth (D-IL) joined Majority Leader Chuck Schumer (D-NY) and 21 Senate Democrats today in calling on Federal Trade Commission (FTC) Chair Lina Khan, urging FTC to investigate two newly-proposed mergers by the two largest oil companies in the United States. In the letter, the Senators also are urging FTC to oppose the mergers proposed by ExxonMobil and Chevron if any anticompetitive harms are discovered. ExxonMobil’s proposed \$60

billion acquisition of Pioneer Natural Resources and Chevron's proposed \$53 billion acquisition of Hess Corporation are two of the largest petroleum deals in American history. These proposed acquisitions could be disastrous for American consumers—greatly reducing competition and driving up gas prices at the pump.

“Exxon's and Chevron's operations downstream would enable them to redirect Pioneer's and Hess's crude supply to themselves, away from (and possibly to the detriment of) their midstream competitors. These new market dynamics could result in price hikes for midstream customers, and such added costs are often passed downstream to retail customers, including drivers at gas stations,” wrote the Senators.

They continued, “By 2005, due to the wave of mergers, the top five controlled 55 percent of the market, and the largest ten had 81.4 percent. This increase in concentration enabled the largest players to manipulate the industry by withholding supply in order to drive up prices, and since most of the firms were also vertically integrated, they benefited from higher prices at the retail level, as well.”

The Senators concluded, “In our view, the FTC should not have approved the ExxonMobil merger in 1999, which created the largest corporate successor of Standard Oil's original illegal monopoly, or the merger between Chevron and Texaco in 2001,” the Senators said. “Lax enforcement during that period resulted in market manipulation, unstable supply, and price hikes for Americans. We must avoid similar mistakes going forward. It is incumbent upon the FTC to closely review the Exxon-Pioneer and Chevron-Hess acquisitions and take appropriate action should such reviews uncover any possible anticompetitive effects enabled by the acquisitions.”

Americans have felt the negative effects of unchecked petroleum industry mergers from the past few decades. A wave of nearly three thousand mergers in the 1990s has caused the number of major U.S. energy companies to plummet – creating a Big Oil oligopoly and enabling illegal collusive tactics. That decrease in competition led to higher prices up and down the supply chain, and any further consolidation risks hurting American consumers even more.

Since taking office, President Biden and Senate Democrats have shown that they are not afraid to stand up to Big Oil. Whether it is protecting our environment or protecting consumers at the pump, the Biden Administration has taken on these companies and scored critical wins for Americans. With the unprecedented gas prices of last summer potentially caused by price gouging by oil companies – that continue into this year – more consolidation of Big Oil companies will only leave American consumers paying more at the pump.

While Big Oil has been taking advantage of hardworking families, Duckworth has been diligent in working to save Americans money at the pump while continuing to be a long-time supporter of the use of ethanol to lower costs, emissions and improve our energy security using domestic fuel sources. Earlier this year, Senator Duckworth reintroduced the [*Gas Price Gouging Prevention Act*](#) that would make it unlawful to sell gasoline at a price that is unconscionably excessive during a crisis affecting the oil markets. Last year, Duckworth helped introduce the bipartisan and bicameral [*Next Generation Fuels Act*](#) to leverage higher-octane fuels to help lower emissions and improve engine efficiency and performance, as well as the [*Home Front Energy Independence Act*](#), which would make E15 available year round.

Joining Duckworth and Schumer on the letter are U.S. Senators Tammy Baldwin (D-WI), Richard Blumenthal (D-CT), Cory Booker (D-NJ), John Fetterman (D-PA), Maggie Hassan (D-NH), Mazie Hirono (D-HI), Angus King (I-ME), Amy Klobuchar (D-MN), Ed Markey (D-MA), Jeff Merkley (D-OR), Jack Reed (D-RI), Jacky Rosen (D-NV), Bernie Sanders (I-VT), Brian Schatz (D-HI), Jeanne Shaheen (D-NH), Tina Smith (D-MN), Debbie Stabenow (D-MI), Elizabeth Warren (D-MA), Peter Welch (D-VT), Sheldon Whitehouse (D-RI) and Ron Wyden (D-OR).

The full letter is available at the link [here](#).