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**TESTIMONY OF  
ATTORNEY GENERAL RICHARD BLUMENTHAL  
BEFORE THE GENERAL LAW COMMITTEE  
FEBRUARY 25, 2010**

I appreciate the opportunity to support the concept of House Bill 5220, An Act Concerning Competition in the Motor Fuel Industry.

This proposal establishes a bright line standard for illegal consolidation of market power by large oil companies in Connecticut. Specifically, the legislation prohibits any person from owning or having common control of more than 50% of two of the following gasoline market segments: production/refining, distribution, terminals or retail.

Market control and power in our gasoline markets inhibit strong competitive forces that would otherwise lower prices for consumers. Surveys demonstrate how consumers are held hostage by major oil and gasoline companies' market power. Some gasoline dealers are charged 20 cents more than their same brand name retailer just a few miles away. There is no legitimate reason for such price disparities because transportation costs are no higher and the amount purchased is no different.

Local prices should be determined by local retailers responding to local economic factors. The handful of big oil company suppliers headquartered in Texas or California or abroad or gasoline marketers with significant market control in Connecticut should not be allowed to manipulate the local retail price of gasoline.

While antitrust laws generally prohibit anti-competitive behavior, the law doesn't currently bar the accumulation of significant market share by one entity. House Bill 5220 provides a clear test that will ensure a number of competitive players in each gasoline market. Further, the language allows for the use of antitrust enforcement even against entities that do not meet the market power standard if they engage in illegal price fixing or other anti-competitive behavior.

I have a number of drafting concerns and would appreciate the opportunity to work with the committee.

Thank you.