Summary of Discussion Points

Presented by the Business and Industry Advisory Committee (BIAC) to the OECD Competition Committee

Roundtable on Competition in Road Fuel

June 20, 2013

The Business and Industry Advisory Committee (“BIAC”) to the OECD appreciates the opportunity to submit these comments to the OECD Competition Committee for its roundtable on competition in road fuel.

I. Road Fuel Pricing Is the Subject of Intense Political Scrutiny

1. Few expenditures are as palpable to consumers as the price of road fuel. While most consumers’ incomes are relatively constant from month to month, and most frequently-purchased goods change little in price, road fuel pricing can often change significantly in a relatively short period of time. Upward price hikes weigh heavily on the wallets of average consumers.

2. Consumers, naturally, are upset at these unexpected price shocks and often voice their frustration directly to their politicians, demanding action. According to one U.S. Congressional staffer, complaints about gasoline prices are among the most frequent of all complaints to members of Congress. The same is presumably true in other countries as politicians around the globe have called for investigations in fuel pricing, making it one of the most heavily studied sectors of the global economy. This level of political attention can create significant pressure on competition authorities to take action with respect to road fuel, and many authorities have done so.

3. Many of the OECD Competition Committee’s members have initiated some form of market study regarding the competitive conditions in the oil or road fuel sectors.\(^1\) In September 2012, the United Kingdom’s Office of Fair Trading (OFT) issued a call for information asking industry, motoring groups and consumer bodies to submit information about the road fuel sector.

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in the UK.\footnote{Press Release, United Kingdom, Office of Fair Trading, OFT Issues Call for Information into Petrol and Diesel Prices (Sept. 5, 2012), \url{available at www.oft.gov.uk/news-and-updates/press/2012/76-12}.} OFT issued its final report in January 2013, which concluded that the rise in petrol and diesel prices in the UK over the last ten years was not due to a lack of competition but, rather, to higher crude oil prices and increased taxes.\footnote{Press Release, United Kingdom, Office of Fair Trading, OFT Report Points to Competition Working Well in UK Road Fuel Sector (Jan. 30, 2013), \url{available at www.oft.gov.uk/news-and-updates/press/2013/12-13}.}

4. The United States Financial Fraud Enforcement Task Force launched its Oil and Gas Fraud Working Group in 2011 at the request of President Obama who asked Attorney General Eric Holder to work with federal and state agencies to monitor oil and gas markets for potential wrongdoing.\footnote{Oil and Gas Fraud Working Group, STOPFRAUD.GOV, \url{available at www.stopfraud.gov/oil-gas-fwg.html}.} In that connection, the United States Federal Trade Commission announced its investigation into market manipulation, oil refinery shutdowns, and other forms of potential anticompetitive practices such as providing misleading information to federal officials.\footnote{U.S. Fed. Trade Comm'n, Information To Be Publicly Disclosed Concerning the Commission Petroleum Industry Practices and Pricing Investigation, File No. 111 0183, June 20, 2011, \url{available at www.ftc.gov/os/2011/06/110620 petroleuminvestigation.pdf}.} This investigation, the fourth major study in the past 12 years, is still on-going.

5. Germany's Bundeskartellamt launched a fuel sector inquiry in 2008. Its final report was issued in May 2011 which found that five companies – BP, Shell, ConocoPhillips, ExxonMobil and Total – created a "dominant oligopoly" in the fuel retail market.\footnote{BUNDESKARTELLAMT, FUEL SECTOR INQUIRY (May 2011), \url{available at www.bundeskartellamt.de/wEnglisch/download/pdf/11-085_Abschlussbericht_SU_Kraftstoffe_Zusammenfassung-E.pdf}.} The study found that the companies did not violate antitrust law, but rather that the market structure produced parallel behavior, with common price increases occurring in the absence of any agreements or information exchanges. The Bundeskartellamt launched a second inquiry focusing on the wholesale market in September 2012.\footnote{Press Release, Bundeskartellamt, Launch of Sector Inquiry into Refineries and Oil Wholesale Sector (Sept. 27, 2012), \url{available at www.bundeskartellamt.de/wEnglisch/News/Archiv/ArchivNews2012/2012_09_27.php}.}

6. Italy's competition authority looked into the role of hypermarkets, independents dealers and integrated oil companies in the fuel retail market in Italy and found that oligopolistic interaction between integrated oil companies was not indicative of collusion or anticompetitive agreements between them.\footnote{Press Release, Autorità Garante della Concorrenza e del Mercato, Distribuzione carburanti: Antitrust, dalle oltre 2.000 pompe bianche e gli 82 punti vendita gdo spinta per riduzione prezzi e per nuovo equilibrio concorrenziale (Dec. 8, 2012), \url{available at http://www.agcm.it/stampa/comunicati/6312-ic44-distribuzione-carburanti-antitrust-dalle-oltre-2000-pompe-bianche-e-gli-82-punti-vendita-gdo-spinta-per-riduzione-prezzi-e-per-nuovo-equilibrio-concorrenziale.html}.}

7. The Netherlands' Ministry of Economic Affairs, Agriculture and Innovation commissioned an independent consultancy to investigate the fuel retail market. The Ministry found that the
competition in the fuel retail market is not distorted and that imperfections in the market did not alter this finding.9

8. Spain10, Austria11, South Africa, Portugal, and Australia also have conducted inquiries or taken other action to address competitive concerns in petroleum markets.

9. While it is appropriate for political representatives to respond to concerns of their constituents, and even more appropriate for competition authorities to ensure that important sectors of the economy are functioning competitively, it is nonetheless essential that the actions undertaken by competition authorities be based upon – and constrained by – fundamental competition law principles underpinned by sound economics. Political pressure should not force the hand of competition authorities to take action unless it is warranted by these economic preconditions.

10. Political pressure has motivated many of these investigations, as well as other studies previously conducted by relevant competition authorities. The vast majority of these studies have concluded that the relevant market is largely functioning competitively. The remedial actions taken often are by way of insisting on additional information, such as publication of pump prices by retailers.

11. These studies and reporting obligations impose costs on the industry, often at the retail end of the market which is highly competitive. Rarely do remedial measures attack the most significant influencing factors of price in the market – supply limitations, taxation and state decisions regarding output. To the extent that competition policy has a role to play in promoting consumer welfare, these issues should be addressed by authorities through their advocacy role at least to the same extent as their resources are used to undertake investigations and remedial measures that can be predicted to have marginal benefit.

II. Pricing Is Determined Principally By Crude Oil Supply and Demand Fundamentals

12. The price of road fuel is often unpredictable but seldom unexplainable or even particularly mysterious. Empirical evidence has long shown that road fuel prices move in harmony with rational interactions between supply and demand. Undoubtedly, these market fundamentals are subject to an array of seemingly indiscriminate pressures – natural disasters, political upheaval, human error, economic crisis, and innovation – rendering fuel prices volatile and seemingly haphazard. However, the volatility is almost invariably explained by market forces operating in competitive markets.


13. The most influential interactions occur in the global crude oil market, far upstream from most road fuel retail stations. The vast majority of road fuel price fluctuations are attributable to crude oil market forces.\textsuperscript{12} Over time, the prices of road fuel and crude oil typically trace parallel paths with very little variation between the two. These prices move in step with world events that influence supply and demand both subtly and brusquely. While local conditions such as holidays and weather events certainly hold some sway, the fact is most consumers purchase road fuel at a price determined by events in multiple hemispheres.\textsuperscript{13}

14. The profound and immediate impact of world events on road fuel prices arguably is evidence of highly competitive relevant markets. Any supply disruption in the global crude oil market inevitably leaves refineries in Brazil, Germany, and Africa competing for residual supply with their counterparts in Mexico, the U.S., and Russia.\textsuperscript{14} Prices move as these refiners compete for pieces of a suddenly smaller pie.

15. Changes in demand are equally influential. For example, the rapid industrialization of China and India over the past decade has produced a steep rise in crude oil demand, impacting road fuel prices on other continents. As with any competitive market, a particular price increase will prevail until producers and consumers respond—increasing production and decreasing consumption, respectively—thereby rebalancing the market.

\textbf{A. Inelastic Demand of Road Fuel Can Cause Price Spikes}

16. Road fuel consumers adjust short-term consumption patterns very little when faced with price increases. This is true even when price increases are steep and large.\textsuperscript{15} This inelasticity of demand means that even very small supply shortfalls can lead to large price spikes. Typically, producers will respond to such spikes much quicker than consumers. As a result, road fuel prices remain sharply elevated until the relevant supply returns to previous levels. Such price spikes became increasingly common over the last decade as increasing demand tightened supply. Tight supply created a delicate balance, highly sensitive to any supply/demand fluctuations.


\textsuperscript{13} See, e.g., Eithne Treanor, Where Are Oil Prices Headed in 2013, GULF BUSINESS (May 18, 2013), available at gulfbusiness.com/2013/05/charting-the-cost-of-crude. (“Prices in 2012 remained north of $100 barrel per day (bpd)...due to worries about a nuclear standoff with Iran and the impact of Arab Spring on production…”).


17. Road fuel production shortfalls result from a combination of local and/or international events. For example, in October of 2012, a brief power-outage at a Southern California refinery spiked gasoline prices to the highest levels on record.\(^{16}\) Those prices were already elevated due to recent political upheavals in the Middle East. Despite the increase, California consumers—who comprise the single largest market for road fuel in the world (excepting the U.S. as a whole)—queued at rationing retail stations, some of which ran dry after failing to obtain sufficient supply to meet the inelastic demand. The prices only receded after the market replaced the lost supply.

18. This inelasticity of demand, however, does not endow road fuel producers with market power. Although high demand may result in significant profits, individual road fuel producers have little or no market power in the face of inelastic demand. Market power is a function of market concentration and the resulting ability to raise prices above competitive levels. Inelasticity is a function of one variable (demand) remaining consistent as another variable (price) fluctuates.\(^{17}\) While demand inelasticity can exacerbate the effects of anticompetitive behavior, the existence of inelasticity neither indicates nor presupposes market power.

B. Foreign Exchange Effects Can Significantly Impact Domestic Prices

19. The global market for crude oil exposes domestic road fuel prices to exchange rate variations. If, for example, the South African rand depreciates against the Euro, a single rand purchases less crude oil than a single Euro. South African refiners will then pay more for crude oil than European refiners. In turn, South African retail stations will pay more for road fuel, as will South African consumers. The decreased value of the rand will also motivate exportation of road fuel from South Africa, pushing domestic road fuel prices even higher.

20. This exchange rate effect was highly observable from 2010 to 2011, when the U.S. dollar depreciated significantly against the Euro. During that period, the price of West Texas Intermediate ("WTI") rose sharply. Between June 2010 and April 2011, the price of WTI rose 45% in dollars but only 23% in Euros. Between June 2010 and July 2011, the price rose 29% in dollars but only 11% in Euros.\(^{18}\) The larger increase in dollars meant proportionately higher road fuel prices for U.S. consumers.

C. Refining and Transportation Capacity Also Impact Pricing

21. Road fuel pricing is also subject to the capacity of its infrastructure, particularly refining and transportation (pipelines, barges, trucks, trains, etc.). The relevant infrastructure constrains the flow of product from producers to consumers. Thus, even when the supply of crude oil or refined fuel is increased, that increase may not benefit all regions equally as constraints in

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infrastructure may limit the ability to deliver road fuel to a destination. Excess refining and transportation capacity is essential to maintaining consistent local prices. Conversely, insufficient or compromised capacity almost inevitably leads to price volatility (as in the California example above). Such capacity-related spikes are frequent, given the susceptibility of relevant infrastructure to natural disasters, accidents, and political upheaval.

22. Constrained or excess refining capacity in one region can easily affect gasoline prices in other regions. For example, Australia has experienced burgeoning road fuel demand while suffering declining refining capacity. As a result, road fuel prices in Australia have now settled at import parity, rendering the market a highly attractive destination for diesel and gasoline barrels from refineries in Singapore, Japan, South Korea, and Taiwan. The resulting shipments siphon excess supply from Asia, reducing the region’s available cushion and potentially leading to price spikes.

23. Available transportation capacity also plays a key role in stabilizing road fuel prices. Conversely, transportation constraints can keep available supply from meeting existing demand, thereby producing or exacerbating price spikes. For example, burgeoning crude oil production in Canada has struggled to reach high-demand refineries on the East and Gulf Coasts of the U.S. Congested pipelines have led Canadian producers to invest in crude tank cars that are now allowing the producers to ship excess production to distant markets. This new transportation capacity could help stabilize road fuel prices in the destination markets; however, the capacity is less efficient and already appears to be constrained.

**D. Road Fuel Retailing Typically Is Intensely Competitive**

24. Road fuel prices are typically subject to intense competition at the retail level. Local gasoline outlets often square off against multiple alternative stations, all located within a short distance of one another. This competition leads to razor thin margins, often in the neighborhood of 3 to 5 cents per gallon. In most markets, retailers base their prices on those of competitors and are often unable to pass along cost increases to consumers. Retailers often compete based on ancillary services and compete in terms of their hours of operation, quality of their convenience stores, and even cleanliness of their restrooms.

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20 See, Yadullah Hussain, Demand for Tank Cars to Ship Crude Oil by Rail Rises at Breakneck Speed, FINANCIAL POST (Feb. 22, 2013), [available at](business.financialpost.com/2013/02/22/demand-for-tank-cars-toship-crude-oil-by-rail-rises-at-breakneck-speed/?__lsa=d23c-adae).


22 See, FTC 2005 REPORT, [supra note 12 at 13](#).
25. In some regions, the retail market has grown more competitive with the addition of so-called “hypermarket” stations. Such outlets are typically affiliated with large grocery stores such as Wal-Mart or Costco in the United States, Leclerc in France, or Sainsbury’s in the United Kingdom. The affiliated stations often function as loss leaders for the sponsoring store. Significant economies of scale and limited ancillary services allow these hypermarkets to sell larger volumes of gasoline at lower prices. In the face of this increased competition, the number of traditional road fuel stations has dwindled as margins have eroded.

1. Many Major Oil Companies Are Vertically Dis-Integrating

26. As a result of declining margins in retailing, many major independent oil companies like ExxonMobil, Chevron, and ConocoPhillips are selling all or portions of their road fuel retail networks. This divesting of downstream retail assets is part of a general trend away from vertical integration—defined as common ownership at stages of exploration, production, refining, distribution, and marketing. At least two formerly integrated independent oil companies—Marathon and ConocoPhillips—have completely dis-integrated, spinning-off their retail operations into distinct downstream companies.

27. It is unclear what effect this dis-integration will have on road fuel prices. Varying studies predict disparate outcomes. Vertical integration was partly premised on the theory that common ownership would lead to cost savings and other efficiencies. Such efficiencies would theoretically have produced lower road fuel retail prices. The migration from vertical integration seems to indicate skepticism in the supposed benefits of vertical integration. It is too early to know whether dis-integration will ultimately prove beneficial to producers and consumers.

III. State-Owned Enterprises Dominate the Supply of Crude Oil

28. National or state-owned oil companies have long played a dominant role in the global crude oil market. Governments own or control these entities and often restrict operations of others in their respective countries. Increasingly, state-owned companies are engaging in exploration and production activities internationally. The effort is often driven by falling or stagnant domestic production coupled with increasing domestic demand. Investments by such state-owned enterprises as Petrobras (Brazil), Lukoil (Russia), Roseneft (Russia), and CNOOC (China), have outpaced investments by private oil companies. The world’s largest oil producer, the largest oil reserves holder, the largest gas reserves holder, and the largest gas

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25 FTC 2011 REPORT, supra note 18 at 19.
26 Bob Broxson, National Oil Companies, Where are we now?, Charles River Associates, May 10, 2013, presentation given at Baker Botts L.L.P.
producer are all state-owned oil companies. Together, such companies own 92% of proven crude oil reserves.27

29. This remarkable concentration of crude oil production in state-owned enterprises does not mean the market itself is concentrated. According to one study, the Herfindahl-Hirschman Index (HHI) for world crude oil production was 276 in 2002, a very low level of concentration. Even if all OPEC countries were treated as a single entity—assuming the cartel functioned perfectly, which it doesn’t—the 2002 HHI only indicated a moderately concentrated market.28 Overall, global concentration of crude oil production appears to have fallen during the last three decades, owing partly to the privatization of some state-owned entities and the collapse of the Soviet Union.

A. The OPEC Cartel Is an Affront to Competition But May Not Significantly Influence Pricing

30. OPEC undoubtedly offends the principles of free competition. Under most countries’ competition laws, OPEC would constitute a per se, or criminal, cartel. OPEC’s constituency as a group of states, rather than companies, precludes competition enforcement against its members under principles of sovereign immunity.

31. OPEC’s ability to control global oil prices, however, is the subject of debate.29 Certainly, OPEC members have, at times, exerted market power. While such efforts have pushed crude oil prices above competitive levels, it is unclear whether OPEC has consistently done so or whether OPEC retains the ability to do so today. Recent declines in demand due to severe global economic volatility, combined with oil discoveries in many previously non-productive regions, have eroded OPEC’s market position and, arguably, its market power. OPEC itself claimed to have lost control of crude oil prices as early as 2005.30

32. Recent innovations in petroleum exploration and an accompanying boom in oil and gas supply promise to further diminish OPEC’s influence. The advent of horizontal drilling has drastically increased crude oil supply in countries like the U.S., where reserves were previously thought to have peaked. According to some estimates, the new production will allow the U.S. to be energy independent by 2035.31 Other increasingly tangible sources of energy – e.g., the as-yet unreachable supply of methane hydrate on the bottom of the ocean – will potentially limit

27 Id.
28 FTC 2011 REPORT, supra note 18 at 9.
29 Id. at 23.
OPEC’s influence further. Even as global demand rises, it now seems likely that OPEC’s influence will inevitably wane.

B. Private Enterprises Represent a Small Share of the Market for Crude Production

33. As noted above, independent oil companies control a small portion of crude oil production worldwide. Today, the share is estimated at around 8%. The major mergers of the last decade – Exxon and Mobil, Conoco and Philips, Chevron and Texaco, BP and Amoco – have had almost no impact on this concentration. Today, ExxonMobil, the private company with the largest share of crude oil production, is responsible for less than 3% of total supply. Given the increasing investments of state-owned enterprises, the total share of global crude oil production among private enterprises is unlikely to rise anytime soon.

IV. The Most Significant Distortions to Fuel Pricing Are Government-Imposed

34. Given the large influence of states and SOEs on the market for road fuel, it is not surprising that states are also responsible for many of the exogenous factors that introduce market distortions. Control over permits for drilling, pipeline installation, terminals, and refinery construction dictate the supply side. Decisions on government investments in transportation, control over vehicle KPL/MPG, and highway construction decisions influence the demand side. Taxation, price controls, and other regulations impose other potential distortions to the market.

A. Taxation

35. Government taxation has a major impact on pricing in most developed countries. In some countries, taxes account for up to 75% of the price of road fuel. In Great Britain, over 60 percent of the price at the pump goes to taxes. Germany’s fuel and value added taxes are similarly high. A 2005 survey indicated that the 10 countries with the highest levels of taxation were all OECD members, including in order, The Netherlands, Norway, Italy, Denmark, Belgium, Sweden, UK, Germany, France and Portugal. Because of these taxes, retail prices in these countries were two to three times higher than U.S. pump prices (which also include taxes, as discussed below).

36. A more recent survey, conducted in 2011, provides a graphic depiction of the significant level of taxation imposed on gas prices by numerous OECD member countries. In the table

32 BROXSON, supra note 26.
below, the total price is reflected in red, with blue indicating the proportion of price attributable to taxes.\textsuperscript{35}

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37. In other countries, where state-owned companies dominate production, gas prices are subsidized by the State as a benefit to citizens irrespective of actual production costs. As of 2005, Saudi Arabia, Kuwait, Egypt, Nigeria and Venezuela all had effective retail prices of less than $1 per gallon, ranging between 5-35% of U.S. pump prices.

38. It is also noteworthy that some countries impose taxes as a percentage of the underlying fuel cost rather than as a flat “€/l” or similar charge. This mode of taxation has the effect of exacerbating price increases profoundly.

39. Taxes in the U.S. are sometimes criticized as not being high enough. Recently, the IMF proposed that the U.S. impose an additional $1.40/gallon tax as a “corrective tax” to curb demand and as a carbon offset. No study of the impact on U.S. economic activity accompanied the recommendation. But taxes in the U.S. are significant as a percentage of the total cost. For example, state and federal excise gasoline taxes in the U.S. range from $0.24 to $0.69 cents per gallon, averaging roughly 15-20% percent of the price per gallon. Taxes on diesel fuel were higher, ranging from $0.33 to $0.77 cents per gallon.

40. State taxation is a significant distortion on road fuel pricing. The impact of this distortion is likely more significant than any conceivable anticompetitive behavior that could be exercised by industry either unilaterally or collectively. BIAC recognizes that many governments rely on road fuel taxation as a major source of revenue and that the policy implications of that reliance is a subject beyond the scope of this Roundtable. However, a holistic consideration of road fuel pricing – including competitive distortions on road fuel pricing – requires states to evaluate their own taxation policies and the implications of those policies on consumers.

**B. Production and Development Decisions by SOEs**

41. Given the large proportion of global oil production represented by states and SOEs, the decisions by states to limit production and output can severely impact supply. States may have valid reasons for choosing to limit production, such as environmental concerns or a desire to preserve reserves for future exploitation. These trade-offs, however, have fundamental implications on supply and result in changes in price that often are predictable in the medium term.

42. Following the US price spikes in the mid-2000s, the US substantially increased domestic drilling capacity and output. Since 2007, oil production from Federal and non-Federal areas has increased 22%, from 5.1 to 6.2 million barrels per day. At the same time, US gas consumption remained below its five-year average. But increases in demand in China during the same period more than offset increases in global supply, causing demand to remain tight.

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43. This illustrates that even significant efforts by individual countries to expand supply or curtail demand are unlikely materially to impact road fuel pricing where global effects swamp local or regional conditions. Efforts by private companies to impact pricing, therefore, are even less likely to move the needle on fuel pricing. With the appetite for cars in China and India increasing dramatically, the global demographics favor continuing challenges to meet the global demand for fuel.

44. SOEs hold the greatest sway over the oil and fuel output. Their decisions regarding development will have important ramifications regarding the future price of road fuel, far in excess of the decisions of private companies.

V. Government Imposed Price Restrictions on Road Fuel Are Only Likely To Harm Consumers

45. Fluctuations in road fuel prices often invite government price controls. Though well intentioned, such controls almost invariably wreak more havoc than the motivating fluctuations. Resisting the temptation to interfere can be difficult for governments, given the profoundly negative short-term effects road fuel price spikes can have on consumer purchasing power. Still, governments should consider carefully the long-term consequences of price controls before instituting any such regulation.

46. Producers and consumers look to prices for the current value of road fuel. These price signals help market participants decide how to use scarce resources, when to conserve, when to spend, when to purchase or produce a particular good over another. Price controls distort these signals and, in turn, distort the supply/demand balance in ways that almost invariably prolong and compound consumer harm. Even severe price spikes send vital signals that allow consumers to properly conserve and motivate producers to better produce. In considering price controls – whether a price ceiling, floor, or any other manipulation – governments are wise to remember that the right price for any commodity is the price determined in a competitive market.

47. In light of the well-established deleterious effects of price controls, governments might be tempted to institute supposedly minor, flexible, or explicitly temporary regulations. However, even these can have significant long-term consequences. A soft price cap aimed at easing the short-term pain of a price spike can still distort proper incentives to produce more and consume less. Explicitly temporary price controls are among the riskiest market manipulations. When confronting such regulations, producers almost invariably suppress supply while awaiting expiration of the regulation, thereby exacerbating whatever supply shortfall produced the motivating price spike.40

40 In the 1970s, U.S. President Richard Nixon imposed price controls on domestic oil, which limited the price of “old oil” (that already discovered) while allowing newly discovered oil to be sold at a higher price, resulting in a withdrawal of old oil from the market and the creation of artificial scarcity. This scarcity was dealt with by rationing of gasoline with motorists facing long lines at gas stations. DAVID FRUM, HOW WE GOT HERE: THE 1970S (2008). See also WILLIAM J. BAUMOL & ALAN S. BLINDER, ECONOMICS: PRINCIPLES AND POLICY 53 (2d ed. 1982) (“The consequences [of price controls] usually are quite unfortunate, exacting heavy costs from the general public and often aggravating the
48. The end goal of all antitrust laws is precisely the protection of competitively produced prices. In the U.S., price fixing is a criminal offense under Section 1 of the Sherman Antitrust Act.\textsuperscript{41} European Union antitrust laws are equally strict. Article 101 of the Treaty on the Functioning of the European Union prohibits anticompetitive agreements and concerted practices. Similar laws exist in Canada, Australia, New Zealand, Japan, and South Korea. The practice of resale price maintenance – when manufacturers or distributors agree to maintain their prices above or below an artificial floor or ceiling – has been illegal in the United Kingdom since at least 1964\textsuperscript{42} and in the U.S. since 1911.\textsuperscript{43} Such laws are founded on well-established economic theory and experience. Governments ignore the cumulative wisdom embodied in such laws when they attempt to manipulate road fuel prices in any way.


\textsuperscript{42} See, Restrictive Trade Practices Act of 1956.

\textsuperscript{43} Dr. Miles Medical Co. v. John D. Park and Sons, 220 U.S. 373 (1911).