



### What's up with gasoline prices?

It's the question on everyone's mind – and understandably so.

To be sure, the devastation from Hurricane Katrina caused unprecedented disruptions in domestic oil production, which was reflected in the price at

percent are owned by major oil companies. The rest – nearly 160,000 – are independently owned and operated. These small businessmen and women set the price of their products, as is their right. And competition among all of these retailers, many of whom are down

## [ Zero tolerance for price gouging ]

the pump.

But did anyone take advantage?

We want to make our view crystal clear: price gouging at the pump must not be tolerated. If anyone does it, they should be prosecuted. Zero tolerance. Period.

We also encourage anyone who believes they have evidence of price gouging to contact your state Attorney General. A list may be found at [www.naag.org](http://www.naag.org).

Our fuels are sold at 168,000 retail outlets nationwide, and less than five

the street from one another, gives consumers the ultimate power: choice.

As our industry and the nation recover from Katrina, we're working with government at all levels to ensure Americans have an affordable, reliable supply of energy. Our customers deserve nothing less during this time of national challenge.

That's our pledge – and our promise to you.

A Message From

**America's Oil & Natural Gas Industry**

To learn more, visit [www.api.org](http://www.api.org)



1220 L Street, Northwest  
Washington, DC 20005-4070  
202/682-8100

Red Cavaney  
President & CEO

September 21, 2005

Mr. Henry Ogden Armour  
President, Chief Executive Officer  
National Association of Convenience Stores  
1600 Duke Street  
Alexandria, VA 22315

Mr. Dan Gilligan  
President  
Petroleum Marketers Association of America  
1901 N. Fort Myer Drive, Suite 500  
Arlington, VA 22209-1604

Mr. Kenneth A. Doyle  
Executive Vice President  
Society of Independent Gasoline Marketers of America  
11911 Freedom Drive, Suite 590  
Reston, VA 20190

Dear Hank, Dan and Ken:

I understand some of your members have expressed concern that a full-page ad API will be running in major newspapers and Capitol Hill publications tomorrow implies or infers that your members may be guilty of price-gouging. I want to personally assure you such is clearly not the intent of the ad.

We believe the language condemns price-gouging by any of us, regardless of industry sector. API condemns price-gouging by anyone – including any of our members. We believe that price-gougers, whoever they may be, should be prosecuted.

We highly value our relationship with your respective organizations and have worked closely with you on issues of mutual concern to our memberships. Yours is a valued and important relationship to API – and to our industry. We want very much for that to continue. We had no intent to cast aspersion or to slight your members in our ad. Please accept my apology for those who may feel wronged.

Sincerely,

A handwritten signature in black ink, appearing to read 'Red Cavaney'.

Cc: R. Timothy Columbus  
John Eichberger  
Gregory M. Scott