

Federal Trade Commission
600 Pennsylvania Avenue NW
Washington, DC 20580

November 8, 2023

Dear Chair Khan and Commissioners Slaughter and Bedoya,

We write to request that the Federal Trade Commission immediately take action to investigate and block the two recently proposed mega-acquisitions by Big Oil firms ExxonMobil and Chevron. These transactions harbor grave implications for our economy and democracy, and they should be stopped.

Exxon and Chevron are two of the largest and most economically and politically powerful companies in the world. ExxonMobil, the largest global non-state-owned fossil fuel corporation, is proposing a \$59.5 billion takeover of Pioneer Natural Resources. This acquisition would provide it access to significant U.S. reserves in Texas. Chevron, the second-largest U.S. oil company, represents a market capitalization larger than that of Coca-Cola, Bank of America, or Pfizer. Its \$53 billion purchase of Hess would give it access to the largest oil discovery of the past decade – in South America’s Guyana.

These deals are two of the largest M&A deals across the entire economy this year, and they also represent some of the largest transactions in the history of the oil and gas industry. They will consolidate power within industry, helping Exxon and Chevron solidify their control over the levers of U.S. oil production and over the firms that do most of the physical operations and production. As such, the consequences of these transactions must be considered in light of their potentially harmful lessening of competition in the energy industry.

As with most giant firms, neither Exxon nor Chevron are particularly innovative, instead using their political and market power to maintain their dominance over the market. Antitrust law prioritizes internal expansion over expansion via acquisition, and innovation over protecting the status quo. Exxon and Chevron have professed a desire to “capture price and volume upside” out of the transaction, which is to say, increase what Americans must pay at the pump. These major oil firms have significant distribution and refining infrastructure, so these acquisitions could give Exxon and Chevron the ability to inflate gas, diesel, and chemical prices for Americans, as well as stifle new energy market entrants. Their past practices also indicate that they price-gouge Americans whenever opportunities present themselves.

No one benefits from these mergers. Oil workers will be eliminated through inevitable ‘redundancies.’ American consumers will likely lose out as gas, diesel, and chemical prices increase. And the world will lose out as Chevron and Exxon construct barriers for the development and growth of future clean energy markets, slowing the transition to innovative energy solutions that are vital for the future of our planet in the face of climate change.

We believe it is critical for you to use your independent investigative authorities to challenge the companies’ arguments about the purported benefits of these mergers or the supposed efficiencies – which rarely if ever come to fruition. We urge you to remember that the oil and gas industry has

funded decades of “research” with the goal of thwarting the rise of different energy sources that offer greater efficiency or less pollution those that result from these companies’ basic business models. In short, if these companies intend to argue that these mergers will save American consumers more money, we assert that they have a proven track record of lying.

Our nation’s antitrust laws were originally designed to stop powerful companies like Standard Oil from exerting control over commodities like oil. Now, as scientists and world leaders urge us to move away from fossil fuel reliance, we must guard against attempts by dominant firms to consolidate their industries and wield their corporate power against the growth of different competitive energy sources. We urge you to use your authority under Section 7 of the Clayton Act to investigate and block these deals.

Sincerely,

Accountable.US
American Economic Liberties Project
Center for Climate Integrity
Climate Power
Demand Progress
Food & Water Watch
Friends of the Earth
Greenpeace USA
Hip Hop Caucus
Indivisible Civics
League of Conservation Voters
NC Alliance to Protect Our People and the Places We Live (NC-APPPL)
NextGen America
Oil Change International
Open Markets Institute
Other98
Presente.org
Progressive Change Institute
Revolving Door Project
Sierra Club
Unrig Our Economy