

# MAINE STATE LEGISLATURE

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JUN 11 2003

State of Maine

Department of Attorney General

**PETROLEUM MARKET SHARE ACT**

**REPORT OF THE ATTORNEY GENERAL  
TO THE MAINE LEGISLATURE  
PURSUANT TO 10 M.R.S.A. § 1677**

**FOR THE REPORTING PERIOD  
2001 - 2002**

**I. Executive Summary**

**II. Introduction**

**III. Levels of Concentration in Maine's Retail Petroleum Markets**

**IV. Legislative Recommendation**

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January 31, 2003

**State of Maine**

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**ANNUAL REPORT OF THE ATTORNEY GENERAL  
TO THE MAINE LEGISLATURE  
PURSUANT TO 10 M.R.S.A. § 1677**

**January 31, 2003**

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**I. EXECUTIVE SUMMARY**

This Report is provided by the Attorney General to the Legislature pursuant to Maine's Petroleum Market Share Act ("PMSA"), 10 M.R.S.A. §§ 1671 -1682. The Report represents a view of competition in retail petroleum markets in Maine at the midpoint of calendar year 2002. It is based on data reported to the Attorney General by petroleum wholesalers in accordance with the requirements of the statute. Retail petroleum markets, whether for home heating oil or motor fuel, are local markets. The data reported enable the Attorney General to determine how many competitors are active in each of these markets, and what market share each competitor has.

The PMSA is an important part of the Attorney General's antitrust enforcement capability in petroleum markets. Simply put, the ready availability of accurate data assists the Attorney General in determining, rapidly and efficiently, whether a proposed petroleum merger or acquisition may violate antitrust law. Similarly, the data enables the Attorney General to reliably inform the Legislature concerning competitive trends, *i.e.*, whether the level of competition in a given market is increasing or decreasing.

This Report shows that, in mid-2002, Maine's retail home heating oil markets were in general relatively concentrated. This means that levels of competition within these markets were generally low. The most concentrated, least competitive, markets were those along Maine's

southern, northern and western borders, downeast and in the remote interior. A single refiner held significant market share in six of thirty-three markets.

Despite relatively high levels of concentration in many markets, there is no cause for alarm. Viewed from a statewide perspective, the impression would be one of stability in overall levels of competition. Median and average levels of concentration have been relatively stable across ten reporting periods, 1992 –2002. Of the thirty-three markets, a significant majority has exhibited some measure of stability. Often, competitive gains registered in a given year will be offset by losses in subsequent years, and *vice versa*. Only one market (Ellsworth) has shown sustained movement toward reduced concentration. On the other hand, a few markets have shown fairly steady deterioration (*e.g.* Ashland-Presque Isle and Pittsfield-Newport).

With respect to motor fuel, the Report again portrays relative overall stability. Twelve of sixteen county markets remained relatively stable. Only one market has shown sustained improvement (Waldo); two others, however, have shown some recent improvement (Sagadahoc, Somerset). On the other hand, only one market has shown consistent deterioration (Penobscot, now the most concentrated market in the state). The highest levels of competition were registered along the coast (except Lincoln and Washington counties) and in central Maine (Androscoggin and Kennebec Counties). A single refiner held the largest or second largest market share in twelve of Maine's sixteen counties.

The relatively high levels of concentration (and low levels of competition) in some markets do not necessarily mean that Maine consumers are currently being forced to pay higher prices for product than their counterparts in other states. However, increasing concentration in a given market will be a legitimate concern even when it is not immediately accompanied by higher prices. This is because a trend toward concentration may produce higher prices in the

long term, while in the near term it may be accompanied by anticompetitive practices, such as predatory pricing.

The PMSA is now scheduled for sunset on September 1, 2005. Currently, the statute represents an essential early warning system, capable of alerting the Attorney General and the Legislature to the need for enforcement action, or for legislation to address the unique problems which could arise in Maine's petroleum markets in the years ahead. At the present time no legislative adjustment appears necessary.<sup>1</sup>

## II. INTRODUCTION

The central purpose of Maine's Petroleum Market Share Act ("PMSA"), 10 M.R.S.A. §§ 1671 -1682, is to provide the Attorney General with the ability to monitor levels of concentration in Maine's retail petroleum markets on a current basis. The perception that this monitoring function was both advisable and necessary arose out of a concern that a refiner or refiners could use the advantage conferred by vertical integration<sup>2</sup> to stake out a dominant position in Maine's retail petroleum markets, whether by a program of acquisitions, or otherwise. Indeed, the PMSA was adopted as a moderate alternative to so-called "divorcement" legislation, which would have barred refiners from Maine's retail petroleum markets altogether.<sup>3</sup>

Levels of concentration are also a matter of general concern for reasons of antitrust policy. As levels of concentration in a given market rise, it becomes more likely that a single firm, or group of firms, could successfully exercise market power to levy monopoly profits by

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<sup>1</sup> Note that the Attorney General plans to supplement next year's annual report on the competitive status of retail markets with a review of competition in Maine's wholesale petroleum markets. Preparations for this supplementary study are underway.

<sup>2</sup> A vertically integrated refiner enjoys two principal advantages over nonintegrated competitors in retail petroleum markets. First, the refiner is independent of the vagaries of wholesale markets; second, the refiner can pass along to its retail arm any economies realized in upstream phases of its integrated operation.

<sup>3</sup> For example, Maryland bars operation of retail gasoline outlets by refiners. Md. Code Ann., Bus Reg. sec. 10-311.

charging higher prices. In a rapidly evolving market environment, access to current data regarding levels of concentration is critical to effective antitrust enforcement. It is equally critical to a review of legislative options, and to a determination as to whether more drastic legislative remedies, such as divorcement, merit consideration or adoption. *See* 10 M.R.S.A. § 1677.

Under the PMSA, the Attorney General reports to the Legislature annually. The required report comprises two elements: first, a recommendation concerning the need for further legislation; and second, an assessment of "the concentration of retail outlets in the State or in sections of the State." The required report may not disclose the identity of any particular retailer or retail outlet. *Id.*

The report which follows is divided into two sections. In the first, following an explanation of the antitrust methodology used, we evaluate levels of concentration and review trends. In the final section, we conclude that there is no current need for legislative adjustment.

### **III. LEVELS OF CONCENTRATION IN MAINE'S RETAIL PETROLEUM MARKETS**

#### **A. Methodology**

The methodology employed by the Attorney General to assess levels of concentration in Maine's retail petroleum markets, as reflected in this report, is essentially the same methodology used by the U.S. Department of Justice, the Federal Trade Commission and the Attorneys General of the several states in evaluating the legality of any given merger or acquisition under applicable antitrust law. Since the Attorney General is active in enforcing Maine's merger law, 10 M.R.S.A. § 1102-A, this office has developed a familiarity with, and expertise in the required analysis.

**1. Market Definition.** The first step in this analysis is to determine the relevant line or level of commerce, as well as to define the relevant product and geographic markets. This report

will focus primarily on two product markets, those for home heating oil and motor fuel as defined in the PMSA, at the retail level. Home heating oil is defined as "#2 fuel oil sold for heating residential, industrial or commercial space or water". Motor fuel "means internal combustion fuel sold for use in motor vehicles" as more fully defined in 29 M.R.S.A. § 1(7). *See* 10 M.R.S.A. § 1672(3) and (4).<sup>4</sup>

The relevant geographic markets are more problematic. In layman's terms, the task of defining the relevant geographic market is essentially one of determining who competes against whom in a given locality or region. Market definition is not an exact science. Few markets can be geographically delineated with absolute certainty that the chosen contours accurately reflect human economic behavior. For better or for worse, the task of defining a geographic market will always be one of approximation.

The Attorney General has taken quite different approaches to defining geographic markets within the State for home heating oil on the one hand, and motor fuel on the other. In the case of home heating oil, we have conducted a series of interviews with a number of persons knowledgeable in and about the petroleum industry in this State.<sup>5</sup> On this basis, we have divided the State into thirty-three separate geographic markets which, we believe, represent a fair approximation of economic and competitive realities. A map depicting these markets is attached hereto as Appendix A. Recent antitrust review of mergers and acquisitions suggests that a few of these markets may have expanded somewhat or combined with other markets over the past decade; accordingly, the indices of concentration ascribed in this report may understate the level of competition which actually exists in a given instance. We would welcome comment in this

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<sup>4</sup> In general, home heating oil and motor fuel, as defined in the statute, are properly susceptible of antitrust analysis as distinct product markets.

<sup>5</sup> The assistance of Eugene Guilford, former President of the Maine Oil Dealers Association, is particularly acknowledged.

regard from readers of this report. We have chosen to retain the thirty-three markets originally identified for purposes of this report in order to permit apples-to-apples comparisons in evaluating trends.

Markets for motor fuel within the State, however, operate differently from those for home heating oil. While home heating oil markets typically encompass a geographic region, however limited -- for example, the St. John Valley, or Mount Desert Island -- motor fuel markets are more localized. The task before us here, however, is not the analysis of a merger in a local market. We have determined that for purposes of monitoring broad trends toward concentration across the State, to focus on such narrow geographic markets would be counterproductive. Instead, we employ Maine's sixteen counties as hypothetical motor fuel geographic markets.<sup>6</sup> Wherever a trend toward concentration is observed within these hypothetical markets, a fuller and more accurate analysis can be brought to bear, in order to pinpoint the geographic sources of the trend.

As noted above, and as required by the statute, 10 M.R.S.A. § 1672, this report will focus, as have its predecessors, on retail petroleum markets. However, recent enforcement experience suggests that market power at the retail level is significantly influenced by levels of competition and concentration in wholesale markets. Accordingly, the Attorney General has initiated a study of levels of competition and concentration in Maine's wholesale petroleum markets, and will report to the Legislature in this regard in the context of the next annual report.

**2. Herfindahl-Hirschman Index.** No market is perfectly competitive, and there are varying degrees of competition. The most important factor affecting competition in a given

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<sup>6</sup> Use of county markets also permits a meaningful integration of motor fuel bulk sales to end users into the calculation of market share.

market is the level of concentration.<sup>7</sup> Federal and state antitrust agencies (including the Department) employ the Herfindahl-Hirschman Index to measure market concentration.<sup>8</sup> The index is arrived at by squaring the market shares of all the competitors in a given market. This simple mathematical device expresses the insight that market power increases exponentially in proportion to market share. Federal antitrust guidelines used by the Department in merger enforcement indicate that a market with an index of 1000 or less should be viewed as unconcentrated (and therefore likely to function competitively).<sup>9</sup> A market with an index between 1000 and 1800 is described as moderately concentrated; while any index over 1800 is termed highly concentrated.<sup>10</sup> A market in the highly concentrated category is subject to a high degree of market power, unless the effects of high concentration are mitigated by other factors, such as ease of entry.

We have used the Herfindahl-Hirschman Index in this report to quantify, compare and evaluate levels of concentration in Maine's retail petroleum markets. Our analysis of levels of concentration in home heating oil markets tracks the categories reflected in federal guidelines. Thus, an home heating oil market with an index under 1000 is referred to as "unconcentrated"; an index in the 1000 -1800 range is described as "moderately concentrated"; and an index in the 1800 -2500 range is termed "highly concentrated". Markets above 2500 points are referred to as "extremely concentrated."

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<sup>7</sup> That competition in turn represents the best guarantee to consumers of high quality and low price needs no emphasis here.

<sup>8</sup> DOJ/FTC Horizontal Merger Guidelines, 57 Fed. Reg. 41552 (1992).

<sup>9</sup> For example, ten firms with market shares of 10% each would yield an index of 1000 (10 squared x 10).

<sup>10</sup> For example, a market comprising five firms with market shares of 20% each would yield an index of 2000 (20 squared x 5).

For motor fuel markets we have employed different categories in order to reflect the fact that the county geographic markets arbitrarily used to facilitate the analysis inevitably understate levels of concentration. Thus, for motor fuel, an index below 500 is "unconcentrated"; 500 -1000 is "moderately concentrated", and 1000 -1800 is "highly concentrated". The "extremely concentrated" designation is reserved for motor fuel markets above 1800.

## **B. Levels Of Concentration**

Data assembled from reports submitted by wholesalers and refiners pursuant to the PMSA have permitted us to calculate the annual gallonage supplied to each home heating oil and motor fuel retailer and retail outlet located in the State. These annual gallonage figures, in turn, provide the basis for arriving at the percentage market shares held by each retailer in every geographic market in the State. We have calculated indexes by squaring the percentage market shares arrived at for each competitor, and deriving a total figure for each market. These index figures are set forth in Appendix B attached hereto.

**1. Overview: Retail Home Heating Oil Markets.** Although competition clearly increased in many markets during this reporting period, levels of concentration in Maine's retail home heating oil markets remain relatively high. Only two of thirty-three markets (Augusta and Portland) could be characterized as unconcentrated, with an index below 1000. At the other end of the spectrum, fourteen markets showed extremely high levels of concentration, racking up index totals over 2500 points each. These were Ashland/Presque Isle, Bethel, Cherryfield/Machias, Jackman/Greenville, Jay, Limerick, Lincoln, Midcoast, Mt. Desert, Pittsfield/Newport, Sanford, South Paris, St. John Valley, and York).<sup>11</sup> Significant deterioration was recorded in Jackman/Greenville (up 1484 points), Lincoln (up 890) and the St. John Valley

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<sup>11</sup> Sanford and York again scored above 4000 points. As a reminder, a typical example of a market over 4000 points might consist of three competitors, with 55%, 25% and 20% market shares, respectively.

(up 704). On the other hand, marked improvement in Bath/Brunswick (down 908 points), Biddeford/Saco (down 3029) and Gray (down 1616) and Rockland (down 1699) brightened the overall picture.

Of the remaining twelve markets, nine fell into the 1800 -2500 point range, and would therefore qualify as highly concentrated under the standards set by federal guidelines; while eight were moderately concentrated, *i.e.*, in the 1000 -1800 range. It is noteworthy that while some of Maine's urban centers, namely Augusta, Bangor, Lewiston/Auburn, Portland and Waterville remained unconcentrated or only moderately concentrated, others, such as Ashland/Presque Isle, Bath/Brunswick and Biddeford/Saco fell into the highly to extremely concentrated category.

In regional terms, several generalizations can be made. First, all markets along Maine's western and southern borders were highly to extremely concentrated. The remote interior (Farmington, Jackman/Greenville, Dover/Foxcroft, Lincoln) remained highly to extremely concentrated. Downeast markets were mixed. Cherryfield/Machias, Mount Desert and Woodland/Calais were highly to extremely concentrated; Ellsworth fell into the moderately concentrated category. Aroostook County (Ashland/Presque Isle, Houlton and St. John Valley) was highly to extremely concentrated. The coast from Portland north to Bucksport ran the gamut from unconcentrated Portland through high to extreme concentration in Bath/Brunswick and Midcoast, to moderately concentrated Rockland and Belfast.

Of the dozen most concentrated markets in the State, a refiner commanded significant market share<sup>12</sup> in only three. In the other nine, refiners had either a modest presence or no presence. More broadly, a refiner led the field in four markets statewide and held second place in two others. Heightened concern is warranted with respect to those markets combining high concentration with a high level of refiner participation.

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<sup>12</sup> In excess of 20%.

Overall, the available data suggests a picture of relative stability, with some noticeable improvement in the past year. The average index, which reached a high of 2700 in the last reporting period, has fallen back to 2399; while the median index at 2216 has also retreated from a high watermark in the preceding period (2836) (compared to a low of 1973 in 1992-93 and 1995-96).

In sum, a comparison of 2001 -2002 data for retail home heating oil markets against those for the preceding five years shows that while overall levels of competition and concentration have remained relatively stable, there are grounds for continued concern in specific markets. Of particular concern in the current data, despite some improvement, are persistently high levels of concentration in Maine's southernmost markets (Limerick, Sanford and York).

The Attorney General remains concerned by the generally high levels of concentration in this industry.<sup>13</sup> Our concern would increase in the event a consistent trend toward further concentration were to emerge.<sup>14</sup> In addition to Maine's southernmost markets, localized trends toward increased concentration were observable in a handful of other markets around the state (*e.g.* the St. John Valley). At this juncture, however, with the exception of one or two markets, these trends cannot be attributed to increasing refiner participation. Indeed, we believe that increasing refiner participation can have and in some cases has had a demonstrably beneficial short-term effect on levels of concentration. However, vigilance and careful monitoring remain the order of the day.

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<sup>13</sup> It is important to note that high levels of concentration do not necessarily translate immediately into high retail prices for home heating oil. However, a trend toward higher levels of concentration could portend higher retail prices in the future. For this reason, the Attorney General will pay close attention to any such trend, and, with an eye to the motivating purpose of the PMSA program, will also pay close attention to the part played by refiners in bringing about any such trend.

<sup>14</sup> Indeed, a single proposed acquisition in a concentrated market can give cause for concern great enough to warrant an action to bar the transaction under the state merger statute, 10 M.R.S.A. § 1102-A.

**2. Overview: Retail Motor Fuel Markets.** Although only one of the county motor fuel markets listed in Appendix B fall into the unconcentrated category (Cumberland), seven others were only moderately concentrated (Androscoggin, Hancock, Kennebec, Knox, Sagadahoc, Waldo and York). Six other county motor fuel markets (Aroostook, Franklin, Lincoln, Oxford, Somerset and Washington) are highly concentrated; two (Penobscot and Piscataquis) fall into the "extremely concentrated" category. Most county markets have remained relatively stable over ten reporting periods; none has shown any significant deterioration in the most recent reporting period. On the other hand, Sagadahoc County has improved markedly from last year.

It remains that the index levels shown in Appendix B significantly understate the actual levels of concentration which would be found in the narrower geographic markets suitable for purposes of merger analysis. These index figures should not, therefore, be read as a guide to how this office would approach antitrust review of any proposed acquisition.

In eight of Maine's sixteen county motor fuel markets, at least one competitor enjoyed a market share at or above 20%; in six of these, market shares above 30% were registered. Three markets showed two competitors with shares at or above 20%.

Today, a refiner holds first or second place in terms of market share in fourteen of Maine's sixteen counties (up from twelve last year), with a leading position in nine of these (up from seven). In eight counties (up from four last year), a refiner held a market share in excess of 20%; a refiner's market share was at or in excess of 30% in six of these counties (up from three).

In motor fuel markets, a stronger tendency toward concentration is noticeable in western, northern, interior and downeast sections. A healthier competitive picture prevailed in southern, central and coastal sections as far east as Hancock County. Among coastal counties, only Lincoln and Washington exhibited persistently high levels of concentration. The median and

average indexes for the State, while remaining relatively stable, have fallen back from peak levels recorded in the last reporting periods (this year's average 1060; median 979).

While the relative overall stability of these markets suggests that there is no immediate reason for alarm, the Attorney General is concerned about high levels of concentration in eight of Maine's sixteen counties. A refiner held the largest market share in five of these eight counties. Special concern may be warranted with regard to markets where refiner dominance coincides with a sustained trend toward concentration; nevertheless, it is clear that vigilance is also appropriate in any market which exhibits the characteristics of oligopoly.

#### **IV. LEGISLATIVE RECOMMENDATION**

The concept of the PMSA program has been tested in action; initial glitches have been corrected and the program is working well. The Attorney General is now in a position to follow trends in Maine's retail and wholesale petroleum markets on a current basis, and to react swiftly by seeking remedies in court, or in the Legislature should need arise.

The PMSA program was adopted in the first place because it was felt that in a rapidly evolving market environment, there was a serious risk that routine enforcement would be ineffective -- that it would accomplish too little, too late. Nothing has intervened to alter that equation, and the risk remains.

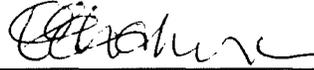
Further, the PMSA program was conceived, not as a means of affording the Attorney General a one-time look at levels of concentration in Maine's petroleum markets, but as a means to follow and evaluate trends. It would accordingly be inadvisable to eliminate the program. The problem which the PMSA was designed to address is not likely to go away in the near term; nor should the program itself.

It is the Attorney General's considered view that the PMSA program is working well and remains an essential component of an effective competition strategy for Maine's petroleum markets. Accordingly, no legislative adjustment is currently recommended.

Respectfully submitted,

Dated: 1/28/03

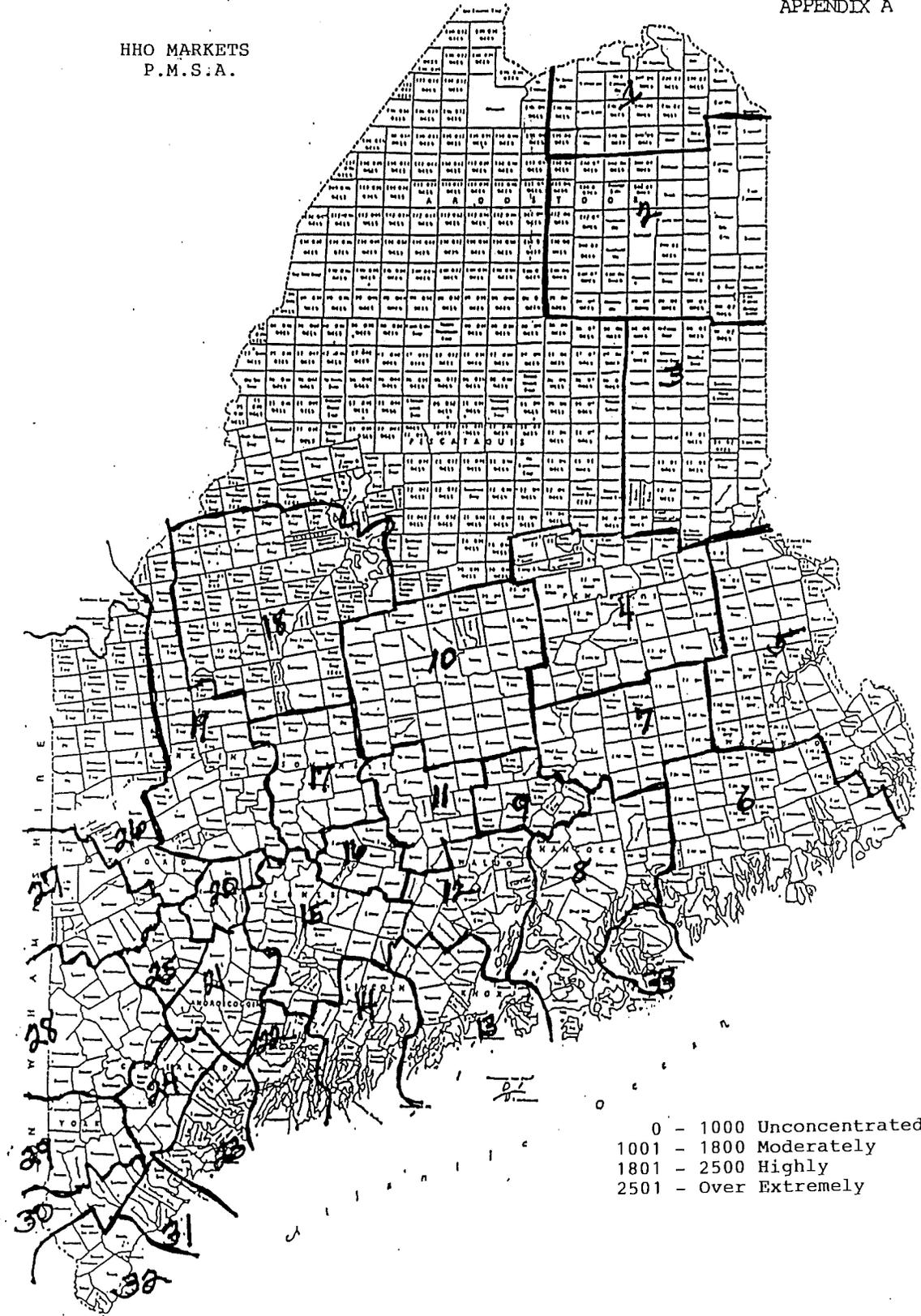
**G. STEVEN ROWE**  
**Attorney General**



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**FRANCIS ACKERMAN**  
**Assistant Attorney General**  
**Consumer Protection Division**

HHO MARKETS  
P.M.S.A.



- 0 - 1000 Unconcentrated
- 1001 - 1800 Moderately
- 1801 - 2500 Highly
- 2501 - Over Extremely

## APPENDIX B

This appendix sets forth index figures expressing levels of concentration and competition for Maine's retail petroleum markets. As we note in the text above, these are derived from data reported to us by wholesalers and refiners pursuant to the PMSA.

The Attorney General is forbidden by statute to disclose the identity of any retailer or retail outlet in making his report. The market summaries offered below therefore set forth only (1) geographic location (for home heating oil markets, reference should be made to the map attached hereto as Appendix A); (2) number of competitors; (3) Herfindahl-Hirschman Index; and (4) a characterization of the level of concentration. We have used four characterizations, loosely derived from federal and NAAG guidelines, as follows. For home heating oil markets, an index in the 0 -1000 range is viewed as "unconcentrated"; in the 1000 -1800 range, the characterization is "moderately concentrated"; in the 1800 -2500 range, an index is rated "highly concentrated"; while in the 2500 plus range, the phrase "extremely concentrated " is used. For motor fuel markets, the use of broad county geographic markets results in understated index figures. Accordingly, an index in the 1- 500 range is seen as unconcentrated; 500 -1000 as moderately concentrated; 1000 -1800 as highly, and above 1800 as extremely concentrated.

MFO HHI TABLE				
June 1, 1992-May 31, '93	June 1, 1993-May 31, 1994	June 1, 1994-May 31, 1995	June 1, 1995-May 31, 1996	June 1, 1996-May 31, 1997
Cumberland 415	Cumberland 416 (+1)	York 341 (-104)	Cumberland 394 (-81)	Cumberland 356 (-38)
York 452	York 445 (-7)	Cumberland 475 (+59)	York 396 (+55)	York 394 (-2)
Androscoggin 482	Knox 503 (-7)	Knox 528 (+25)	Androscoggin 530 (-17)	Knox 430 (-100)
Knox 510	Androscoggin 511 (+29)	Androscoggin 547 (+36)	Knox 530 (+2)	Androscoggin 482 (-48)
Lincoln 714	Hancock 580 (-392)	Waldo 735 (+60)	Waldo 637 (-98)	Hancock 500 (-203)
Penobscot 971	Franklin 673 (-333)	Hancock 791 (+211)	Hancock 703 (-88)	Waldo 536 (-101)
Hancock 972	Waldo 675 (-638)	Lincoln 837 (+116)	Penobscot 870 (+8)	Kennebec 802 (-70)
Kennebec 974	Lincoln 721 (+7)	Penobscot 862 (+63)	Kennebec 872 (-192)	Franklin 895 (-252)
Franklin 1006	Kennebec 785 (-189)	Sagadahoc 935 (+33)	Lincoln 1054 (+217)	Lincoln 900 (-154)
Washington 1124	Penobscot 799 (-172)	Kennebec 1064 (+279)	Washington 1081 (-247)	Penobscot 903 (+33)
Waldo 1313	Sagadahoc 902 (-600)	Franklin 1203 (+530)	Franklin 1147 (-56)	Oxford 1079 (-107)
Aroostook 1343	Aroostook 1073 (-270)	Oxford 1223 (-108)	Sagadahoc 1166 (+231)	Somerset 1167 (-454)
Sagadahoc 1502	Washington 1140 (+16)	Aroostook 1323 (+250)	Aroostook 1176 (-147)	Aroostook 1216 (+40)
Oxford 1594	Somerset 1140 (-978)	Washington 1328 (+188)	Oxford 1186 (-37)	Sagadahoc 1297 (+131)
Piscataquis 1878	Oxford 1331 (-263)	Somerset 1722 (+582)	Somerset 1621 (-101)	Washington 1314 (+233)
Somerset 2096	Piscataquis 1662 (-216)	Piscataquis 1891 (+229)	Piscataquis 1652 (-239)	Piscataquis 1755 (+103)
AVERAGE 1084	AVERAGE 835	AVERAGE 988	AVERAGE 938	AVERAGE 876
MEDIAN 990	MEDIAN 753	MEDIAN 899	MEDIAN 963	MEDIAN 897
June 1, 1997-May 31, 1998	June 1, 1998-May 31, 1999	June 1, 1999 -May 31, 2000	June 1, 2000-May 31, 2001	June 1, 2001-May 31, 2002
Cumberland 345 (-11)	Cumberland 386 (+41)	Cumberland 451 (+65)	Cumberland 520(+69)	Cumberland 387 (-133)
Knox 427 (-3)	Knox 456 (+29)	Knox 494 (+38)	York 524 (-172)	York 504 (-20)
York 465 (+71)	York 462 (-3)	Waldo 591 (-6)	Knox 612 (+118)	Waldo 510 (-134)
Androscoggin 512 (+30)	Hancock 572 (+28)	Hancock 643 (+71)	Hancock 636 (-7)	Knox 537 (-75)
Hancock 544 (+44)	Waldo 597 (+29)	York 696 (+234)	Waldo 644 (+53)	Hancock 654 (+18)
Waldo 568 (+32)	Androscoggin 610 (+98)	Androscoggin 699 (+89)	Androscoggin 691 (-8)	Androscoggin 754 (+63)
Kennebec 826 (+24)	Kennebec 625 (-201)	Oxford 702 (-300)	Kennebec 777 (-192)	Sagadahoc 794 (-767)
Penobscot 831 (-72)	Sagadahoc 770 (-110)	Sagadahoc 852 (+82)	Franklin 1036 (-155)	Kennebec 874 (+97)
Sagadahoc 880 (-417)	Franklin 941 (-58)	Lincoln 950 (-125)	Somerset 1084 (-1858)	Lincoln 1085 (-273)
Franklin 999 (+104)	Oxford 1002 (-237)	Kennebec 969 (+344)	Lincoln 1358 (+408)	Franklin 1219 (-183)
Somerset 1048 (-119)	Penobscot 1049 (+218)	Penobscot 1050 (+1)	Aroostook 1521 (+250)	Somerset 1283 (+199)
Lincoln 1065 (+165)	Lincoln 1075 (+10)	Franklin 1191 (+250)	Oxford 1549 (+847)	Washington 1360 (-338)
Oxford 1239 (+160)	Somerset 1103 (+55)	Aroostook 1271 (+3)	Sagadahoc 1561 (+709)	Aroostook 1462 (-59)
Aroostook 1426 (+210)	Aroostook 1269 (-158)	Washington 1794 (+104)	Washington 1698 (-96)	Oxford 1595 (+56)
Washington 1508 (+194)	Washington 1690 (+182)	Piscataquis 1987 (+207)	Penobscot 2061 (+1011)	Piscataquis 1803 (-286)
Piscataquis 1658 (-97)	Piscataquis 1780 (+122)	Somerset 2942 (+1839)	Piscataquis 2089 (+102)	Penobscot 2145 (+84)
AVERAGE 896	AVERAGE 899	AVERAGE 1080	AVERAGE 1148	AVERAGE 1060
MEDIAN 855	MEDIAN 855	MEDIAN 901	MEDIAN 1060	MEDIAN 979





MFO Market Area		6/1/92-5/31/93	6/1/93-5/31/94	6/1/94-5/31/95	6/1/95-5/31/96	6/1/96-5/31/97	6/1/97-5/31/98	6/1/98-5/31/99	6/1/99-5/31/00	6/1/00-5/31/01	6/1/01-5/31/02
Somerset	Competitors	58	68 (+10)	68 (no change)	69 (+1)	62 (-7)	76 (+14)	77 (+1)	64 (-13)	68 (+4)	67 (-1)
	HHI	2118	1140 (-978)	1722 (+582)	1621 (-101)	1167 (-454)	1048 (-119)	1103 (+55)	2942 (+1839)	1084 (-1858)	1283 (+199)
	Concentration	Extreme	High	High	High	High	High	High	Extreme	High	High
Waldo	Competitors	34	48 (+14)	52 (+4)	52 (no change)	57 (+5)	63 (+6)	61 (-2)	60 (-1)	47 (-13)	52 (+5)
	HHI	1313	675 (-638)	735 (+60)	637 (-98)	536 (-101)	568 (+32)	597 (+29)	591 (-6)	644 (+53)	510 (-134)
	Concentration	High	Moderate	Unconcentrated							
Washington	Competitors	48	58 (+10)	53 (-5)	65 (+12)	54 (-11)	53 (-1)	48 (-5)	52 (+4)	39 (-13)	54 (+15)
	HHI	1124	1140 (+16)	1328 (+188)	1081 (-247)	1314 (+233)	1508 (+194)	1690 (+182)	1794 (+104)	1698 (-96)	1360 (-338)
	Concentration	High									
York	Competitors	92	105 (+13)	134 (+29)	126 (-8)	137 (+11)	114 (-23)	127 (+13)	121 (-6)	113 (-8)	115 (+2)
	HHI	452	445 (-7)	341 (-104)	396 (+55)	394 (-2)	465 (+71)	462 (-3)	696 (+234)	524 (-172)	504 (-20)
	Concentration	Unconcentrated	Moderate	Moderate	Moderate						

HHO Market Area		6/1/92-5/31/93	6/1/93-5/31/94	6/1/94-5/31/95	6/1/95-5/31/96	6/1/96-5/31/97	6/1/97-5/31/98	6/1/98-5/31/99	6/1/99-5/31/00	6/1/00-5/31/01	6/1/01-5/31/02
01. St. John Valley	Competitors HHI Concentration	6 2538 Extreme	7 (+1) 2539 (+1) Extreme	7 (no change) 2400 (-139) High	6 (-1) 2513 (+113) Extreme	9 (+3) 2891 (+378) Extreme	5 (-4) 2659 (-232) Extreme	5 (no change) 2793 (+134) Extreme	6 (+1) 3040 (+247) Extreme	5 (-1) 3090 (+50) Extreme	5 (no change) 3794 (+704) Extreme
02. Ashland/Presque Isle	Competitors HHI Concentration	19 1925 High	21 (+2) 1557 (-368) Moderate	22 (+1) 1531 (-26) Moderate	18 (-4) 1962 (+431) High	15 (-3) 2128 (+166) High	18 (+3) 2179 (+51) High	13 (-5) 1824 (-355) High	10 (-13) 2347 (+523) High	10 (no change) 3287 (+940) Extreme	11 (+1) 2567 (-720) Extreme
03. Houlton	Competitors HHI Concentration	10 1973 High	8 (-2) 2082 (+109) High	8 (no change) 1969 (-113) High	9 (+1) 2051 (+82) High	9 (no change) 2008 (-43) High	9 (no change) 1785 (-223) Moderate	9 (no change) 1955 (+170) High	10 (+1) 2092 (+137) High	11 (+1) 1963 (-156) High	8 (-3) 1803 (-160) High
04. Lincoln	Competitors HHI Concentration	10 1316 Moderate	13 (+3) 1940 (+624) High	11 (-2) 2469 (+529) High	12 (+1) 3394 (+925) Extreme	9 (-3) 3673 (+279) Extreme	10 (+1) 2164 (-1509) High	16 (+6) 4036 (+1872) Extreme	17 (+1) 4260 (+224) Extreme	15 (+2) 2261 (-1999) High	13 (-2) 3151 (+890) Extreme
05. Woodland/Calais	Competitors HHI Concentration	9 3366 Extreme	15 (+6) 2237 (-1129) High	9 (-6) 2332 (+95) High	15 (+6) 1631 (-701) Moderate	15 (no change) 1646 (+15) Moderate	10 (-5) 1951 (+305) High	10 (no change) 1593 (-358) Moderate	12 (+2) 1080 (-513) Moderate	10 (-2) 1928 (+848) High	12 (+2) 1885 (-43) High
06. Cherryfield/Machias	Competitors HHI Concentration	10 2228 High	14 (+4) 2552 (+324) Extreme	7 (-7) 2066 (-486) High	13 (+6) 1975 (-91) High	17 (+4) 1692 (-283) Moderate	9 (-8) 2311 (+619) High	7 (-2) 2525 (+214) Extreme	7 (no change) 3574 (+1049) Extreme	6 (-1) 3627 (+53) Extreme	9 (+3) 2784 (-843) Extreme
07. Old Town	Competitors HHI Concentration	10 1709 Moderate	10 (no change) 1997 (+288) High	11 (+1) 1631 (-366) Moderate	10 (-1) 1687 (+56) Moderate	10 (no change) 1605 (-82) Moderate	11 (+1) 1732 (+127) Moderate	13 (+2) 1377 (+355) Moderate	12 (-1) 1981 (+604) High	11 (-1) 2105 (+1981) High	9 (-2) 1935 (-170) High
08. Ellsworth	Competitors HHI Concentration	22 2167 High	20 (-2) 2059 (-108) High	17 (-3) 2001 (-58) High	20 (+3) 1973 (-28) High	18 (-2) 1870 (-103) High	22 (+4) 1350 (-520) Moderate	23 (+1) 1605 (+255) Moderate	25 (+2) 1673 (+68) Moderate	23 (-2) 1520 (-153) Moderate	21 (-2) 1231 (-289) Moderate
09. Bangor	Competitors HHI Concentration	36 1633 Moderate	35 (-1) 1342 (-291) Moderate	32 (-3) 1550 (+208) Moderate	37 (+5) 1560 (+10) Moderate	40 (+3) 1104 (-456) Moderate	36 (-4) 958 (-146) Unconcentrated	26 (-10) 1079 (+121) Moderate	38 (+12) 1141 (+62) Moderate	38 (no change) 1185 (+44) Moderate	37 (-1) 1031 (-154) Moderate
10. Dover-Foxcroft	Competitors HHI Concentration	9 2096 High	9 (no change) 2191 (+95) High	9 (no change) 2552 (+361) Extreme	12 (+3) 1886 (-666) High	10 (-2) 2187 (+301) High	11 (+1) 2309 (+122) High	12 (+1) 1969 (-340) High	13 (+1) 2468 (+499) High	12 (-1) 2211 (-257) High	11 (-1) 2130 (-81) High
11. Pittsfield/Newport	Competitors HHI Concentration	15 2096 High	13 (-2) 1693 (-403) Moderate	10 (-3) 1971 (+278) High	13 (+3) 1822 (-149) High	9 (-4) 2071 (+249) High	10 (+1) 2018 (-53) High	12 (+2) 2841 (+823) Extreme	11 (-1) 2835 (-6) Extreme	9 (-2) 3282 (+447) Extreme	9 (no change) 2923 (-359) Extreme
12. Belfast	Competitors HHI Concentration	17 984 Unconcentrated	21 (+4) 899 (-85) Unconcentrated	19 (-2) 1126 (+227) Moderate	17 (-2) 1184 (+58) Moderate	17 (no change) 1052 (-132) Moderate	20 (+3)* 2805 (+1753) Extreme	29 (+9) 945 (-1860) Unconcentrated	31 (+2) 877 (-68) Unconcentrated	31 (no change) 720 (-157) Unconcentrated	18 (-13) 1233 (+513) Moderate

HHO Market Area		6/1/92-5/31/93	6/1/93-5/31/94	6/1/94-5/31/95	6/1/95-5/31/96	6/1/96-5/31/97	6/1/97-5/31/98	6/1/98-5/31/99	6/1/99-5/31/00	6/1/00-5/31/01	6/1/01-5/31/02
13. Rockland	Competitors HHI Concentration	23 1321 Moderate	31 (+8) 1069 (-252) Moderate	25 (-6) 1061 (-8) Moderate	29 (+4) 1125 (+64) Moderate	29 (no change) 1111 (-24) Moderate	28 (-1) 1248 (+137) Moderate	29 (+1) 1263 (+15) Moderate	26 (-3) 1266 (+3) Moderate	20 (-6) 2895 (+1629) Extreme	21 (+1) 1196 (-1699) Moderate
14. Midcoast	Competitors HHI Concentration	9 3680 Extreme	8 (-1) 4190 (+510) Extreme	6 (-2) 5548 (+1358) Extreme	9 (+3) 3627 (-1921) Extreme	11 (+2) 2090 (-1537) High	11 (no change) 2253 (+163) High	9 (-2) 2624 (+371) Extreme	11 (+2) 1655 (-969) Moderate	10 (-1) 2668 (+1013) Extreme	8 (-2) 2676 (+8) Extreme
15. Augusta	Competitors HHI Concentration	25 922 Unconcentrated	30 (+5) 714 (-208) Unconcentrated	30 (no change) 696 (-18) Unconcentrated	32 (+2) 775 (+79) Unconcentrated	30 (-2) 777 (+2) Unconcentrated	31 (+1) 755 (-22) Unconcentrated	31 (no change) 1489 (+734) Moderate	31 (no change) 891 (-598) Unconcentrated	29 (-2) 867 (-24) Unconcentrated	25 (-4) 740 (-127) Unconcentrated
16. Waterville	Competitors HHI Concentration	14 1548 Moderate	14 (no change) 1370 (-178) Moderate	15 (+1) 1610 (+240) Moderate	11 (-4) 1539 (-71) Moderate	11 (no change) 1976 (+437) High	14 (+3) 1569 (-407) Moderate	13 (-1) 1837 (+268) High	13 (no change) 1776 (-61) Moderate	14 (+1) 1797 (+21) Moderate	14 (no change) 1793 (-4) Moderate
17. Skowhegan	Competitors HHI Concentration	11 1618 Moderate	12 (+1) 1317 (-301) Moderate	12 (no change) 1187 (-130) Moderate	11 (-1) 1244 (+57) Moderate	15 (+4) 1226 (-18) Moderate	13 (-2) 1191 (-35) Moderate	15 (+2) 577 (-614) Unconcentrated	13 (-2) 1496 (+919) Moderate	15 (+2) 1362 (-134) Moderate	16 (+1) 1369 (+7) Moderate
18. Jackman/Greenville	Competitors HHI Concentration	3 5531 Extreme	5 (+2) 3534 (-1997) Extreme	4 (-1) 3273 (-261) Extreme	7 (+3) 2134 (-1139) High	7 (no change) 2058 (-76) High	5 (-2) 4786 (+2728) Extreme	3 (-2) 5694 (+908) Extreme	11 (+8) 2668 (-326) Extreme	5 (-3) 2361 (-307) High	4 (-1) 3845 (+1484) Extreme
19. Farmington	Competitors HHI Concentration	12 2257 High	11 (-1) 2358 (+101) High	10 (-1) 2012 (-346) High	12 (+2) 1772 (-240) Moderate	13 (+1) 1877 (+105) High	12 (-1) 2290 (+413) High	12 (no change) 2221 (-69) High	13 (+1) 2846 (+625) Extreme	11 (-2) 1945 (-901) High	14 (+3) 1906 (+15) High
20. Jay	Competitors HHI Concentration	5 3211 Extreme	4 (-1) 3368 (+157) Extreme	3 (-1) 3462 (+94) Extreme	6 (+3) 2789 (-673) Extreme	7 (+1) 3551 (+762) Extreme	7 (no change) 2749 (-802) Extreme	7 (no change) 2319 (-430) High	8 (+1) 4051 (+1732) Extreme	6 (-2) 3423 (-628) Extreme	6 (no change) 3185 (-238) Extreme
21. Lewiston/Auburn	Competitors HHI Concentration	14 1613 Moderate	18 (+4) 1517 (-96) Moderate	18 (no change) 1448 (-69) Moderate	17 (-1) 1789 (+341) Moderate	20 (+3) 1566 (-223) Moderate	20 (no change) 1481 (-85) Moderate	18 (-2) 2148 (+667) High	19 (+1) 1463 (-685) Moderate	20 (+1) 1509 (+46) Moderate	19 (-1) 1448 (-61) Moderate
22. Bath/Brunswick	Competitors HHI Concentration	11 1921 High	10 (-1) 2169 (+248) High	9 (-1) 2081 (-88) High	8 (-1) 2846 (+765) Extreme	10 (+2) 1669 (-1177) Moderate	11 (+1) 1731 (+62) Moderate	11 (no change) 2130 (+399) High	10 (-1) 2748 (+618) Extreme	10 (no change) 3124 (+376) Extreme	10 (no change) 2216 (-908) High
23. Portland	Competitors HHI Concentration	32 1097 Moderate	38 (+6) 1168 (+71) Moderate	35 (-3) 1020 (-148) Moderate	62 (+27) 776 (-244) Unconcentrated	51 (-11) 972 (+196) Unconcentrated	76 (+25) 775 (-197) Unconcentrated	72 (-4) 714 (-61) Unconcentrated	77 (+5) 884 (+170) Unconcentrated	69 (-8) 744 (-140) Unconcentrated	52 (-17) 884 (-140) Unconcentrated
24. Gray	Competitors HHI Concentration	19 1281 Moderate	15 (-4) 1572 (+291) Moderate	17 (+2) 1108 (-464) Moderate	14 (-3) 1172 (+64) Moderate	12 (-2) 1398 (+226) Moderate	10 (-2) 1493 (+95) Moderate	15 (+5) 1641 (+148) Moderate	15 (no change) 1785 (+144) Moderate	13 (-2) 3197 (+1412) Extreme	14 (+1) 1581 (-1616) Moderate

HHO Market Area		6/1/92-5/31/93	6/1/93-5/31/94	6/1/94-5/31/95	6/1/95-5/31/96	6/1/96-5/31/97	6/1/97-5/31/98	6/1/98-5/31/99	6/1/99-5/31/00	6/1/00-5/31/01	6/1/01-5/31/02
25. South Paris	Competitors HHI Concentration	7 3706 Extreme	7 (no change) 4158 (+452) Extreme	8 (+1) 3361 (-797) Extreme	6 (-2) 3903 (+542) Extreme	7 (+1) 3989 (+86) Extreme	6 (-1) 3847 (-142) Extreme	5 (-1) 4170 (+323) Extreme	5 (no change) 3851 (-319) Extreme	5 (no change) 3251 (-600) Extreme	4 (-1) 3994 (+743) Extreme
26. Rumford/Rangeley	Competitors HHI Concentration	7 1926 High	8 (+1) 1989 (+63) High	8 (no change) 2047 (+58) High	6 (-2) 2889 (+842) Extreme	6 (no change) 2690 (-199) Extreme	5 (-1) 3276 (+586) Extreme	6 (+1) 1250 (-2026) Moderate	8 (+2) 3317 (+2064) Extreme	7 (-1) 3011 (-306) Extreme	7 (no change) 2300 (-711) High
27. Bethel	Competitors HHI Concentration	3 5634 Extreme	5 (+2) 4941 (-693) Extreme	4 (-1) 5000 (+59) Extreme	3 (-1) 5000 (no change) Extreme	5 (+2) 4038 (-962) Extreme	5 (no change) 3185 (-853) Extreme	4 (-1) 3308(+123) Extreme	3 (-1) 4024 (+716) Extreme	5 (+2) 2981 (-1043) Extreme	5 (no change) 2747 (-234) Extreme
28. Bridgton	Competitors HHI Concentration	7 2400 (estimate) High	7 (no change) 2689 (estimate) Extreme	8 (+1) 2443 (estimate) High	7 (-1) 5235 (estimate) Extreme	8 (+1) 2554 (estimate) Extreme	8 (no change) 2199 (-355) High	9 (+1) 2217 (+18) High	7 (-2) 2469 (+252) High	7 (no change) 2836 (+367) Extreme	11 (+4) 2295 (-541) High
29. Limerick	Competitors HHI Concentration	7 2992 Extreme	7 (no change) 3085 (+93) Extreme	7 (no change) 2947 (-138) Extreme	7 (no change) 2273 (-674) High	6 (-1) 2776 (+503) Extreme	4 (-2) 2933 (+157) Extreme	6 (+2) 1979 (-954) High	8 (+2) 2343 (+364) High	6 (-2) 3486 (+1143) Extreme	8 (+2) 3575 (-89) Extreme
30. Sanford	Competitors HHI Concentration	5 4000 (estimate) Extreme	6 (+1) 4392 (estimate) Extreme	5 (-1) 4576 (estimate) Extreme	4 (-1) 4313 (estimate) Extreme	5 (+1) 3829 (estimate) Extreme	6 (+1) 4233 (+404) Extreme	5 (-1) 3715 (-518) Extreme	6 (+1) 3916 (-201) Extreme	5 (-1) 4202 (+286) Extreme	8 (+3) 4103 (-99) Extreme
31. Biddeford/Saco	Competitors HHI Concentration	17 1524 Moderate	21 (+4) 1323 (-201) Moderate	21 (no change) 1557 (+234) Moderate	20 (-1) 1025 (-532) Moderate	21 (+1) 1418 (+393) Moderate	22 (+1) 2499 (+1081) High	18 (-4) 1802 (-697) High	21 (+3) 2063 (+261) High	16 (-5) 4874 (+2811) Extreme	18 (+2) 1845 (-3029) Moderate
32. York	Competitors HHI Concentration	3 8000 (estimate) Extreme	6 (+3) 6855 (estimate) Extreme	6 (no change) 6380 (estimate) Extreme	9 (+3) 2146 (estimate) High	9 (no change) 2842 (estimate) Extreme	4 (-5) 7311 (estimate) Extreme	8 (+4) 2752 (-4559) Extreme	9 (+1) 2568 (-184) Extreme	5 (-4) 8315 (+5747) Extreme	5 (no change) 5640 (-2675) Extreme
33. Mt. Desert	Competitors HHI Concentration	9 2762 High	8 (-1) 4084 (+1322) High	10 (+2) 4094 (+10) Extreme	12 (+2) 3352 (-742) Extreme	10 (-2) 2768 (-584) Extreme	8 (-2) 2478 (-290) High	10 (+2) 2789(+311) Extreme	11 (+1) 2904 (+115) Extreme	9 (-2) 3083 (+179) Extreme	6 (-3) 3380 (+297) Extreme