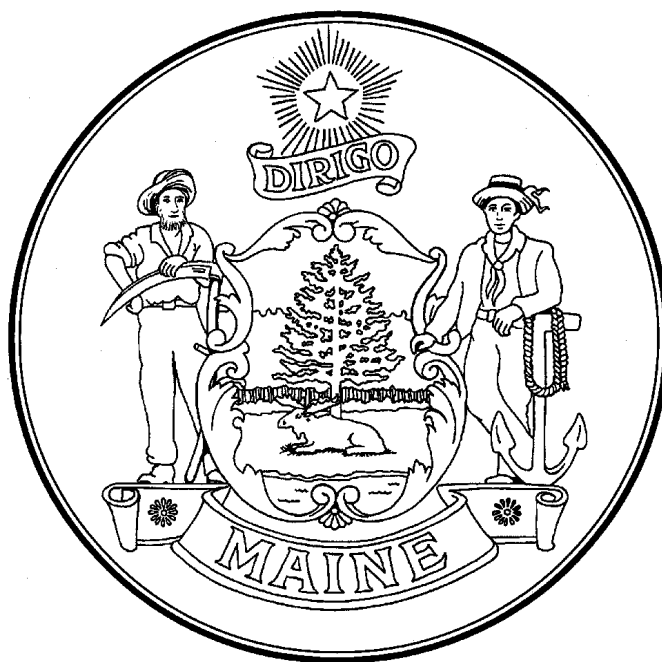


MAINE STATE LEGISLATURE

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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
2004 - 2005**

- I. Executive Summary**
- II. Introduction**
- III. Levels of Concentration in Maine's Retail Petroleum Markets**
- IV. Legislative Recommendation**

March 27, 2006

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**State of Maine
Office of the Attorney General**

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

March 27, 2006

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 2005. 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 numbers of competitors and their market shares. On this basis a concentration index is calculated; such indices are reliable indicators of the competitive health of any given market.

The PMSA is an important part of the Attorney General's antitrust enforcement capability in petroleum markets. 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.

Home heating oil. In this report, we classify home heating oil and motor fuel markets according to levels of concentration: unconcentrated, or moderately, highly or extremely concentrated. As concentration increases, competition diminishes. Overall, this Report shows that, in mid-2005, Maine's home heating oil markets ("HHO") were highly concentrated, displaying relatively low levels of competition. Only ten of thirty-three markets fell into the unconcentrated or moderately concentrated categories. Among these markets were a number of significant urban areas along the interstate 95 corridor, such as Portland, Lewiston-Auburn, Augusta, Waterville and Bangor. In addition, there were pockets of competition along the coast, *viz.* Rockland and Ellsworth. Elsewhere, high levels of concentration prevailed, hampering competition.

Refiner dominance is a central concern of the PMSA program. However, a refiner held a leading position in only three home heating oil markets; in two of these, however, high refiner market share (over 40%) was accompanied by a worrisome level of concentration. Those markets bear close watching. Similarly, we note that seven of the ten most concentrated markets in the State were dominated by a single nonrefiner (albeit a different one in each market), each

with a market share over 60%, and two exceeding 70%. Dominance by a nonrefiner on this scale also counsels antitrust vigilance.

Despite high levels of concentration in many markets, there is no immediate cause for alarm. In general, Maine's home heating oil markets have been stable, with median and average indices of competition holding steady across thirteen reporting periods, 1992-2005. A few markets have exhibited recent sharp improvement or deterioration (York on the positive side, Sanford on the negative); or steady competitive gains (Lewiston-Auburn) or deterioration (Woodland-Calais, Belfast) in recent years.

Motor fuel. With respect to motor fuel ("MFO"), the data again portrays relative overall stability. The sole exception was Franklin County, which showed marked improvement. The most concentrated county markets in the State are now Washington, Aroostook, Somerset, Piscataquis and Oxford. As with home heating oil, the highest levels of competition in motor fuel markets were observed in some coastal sections (everywhere but Lincoln, Waldo and Washington) and along the interstate 95 corridor south of Aroostook County.

A refiner played a much more substantial role in motor fuel than in home heating oil markets, holding the leading market share in seven of Maine's sixteen counties; and the second-highest in eight more. Where high refiner market share is accompanied by high levels of concentration, there is cause for concern. We are aware that a refiner held a market share above 30% in two highly concentrated markets. Recalling that our county markets are bird's eye view proxies that understate competitive conditions on the ground, these high refiner market shares indicate a likelihood that the refiner dominates a number of local markets in these counties. Under these conditions the Attorney General is ready to challenge any proposed acquisition that violates Maine's merger statute;¹ or to seek other appropriate remedies. At the same time, as in home heating oil markets, it bears mention that a least two county MFO markets are dominated by nonrefiners with market shares above those registered by a refiner anywhere. These markets have not escaped our attention.

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.² However, increasing concentration in a given market is a legitimate ground for concern even when it is not immediately accompanied by higher prices. 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.

Legislative recommendation. The PMSA 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. Repeal would be inadvisable. At this time, no legislative action is required or recommended.

¹ 10 MRSA §1102-A declares that an acquisition that may substantially reduce competition in any market is illegal.

² Aroostook and Washington Counties present a special case. There, the proximity of Canadian retail markets exerts an obvious upward pressure on prices, at least in communities close to the border.

Appendices. Our annual PMSA report routinely attaches two appendices. Appendix A is a map showing home heating oil market areas. Appendix B is an explanation of the Herfindahl-Hirschman Index.

During 2005, however, the Attorney General has gone beyond the routine, business-as-usual monitoring activities mandated under the PMSA. Over the past year, Maine petroleum markets and consumers have been confronted variously with persistently anomalous pricing affecting one or more sections of the State, and with crisis conditions driven by the September hurricanes affecting the entire region, if not the nation as a whole. Despite limited jurisdiction and resources, the Attorney General has responded with intensive efforts to move toward an understanding and, to the extent possible, toward a resolution of these problems.

In particular, this office has conducted an inquiry into the causes of disproportionately high gasoline prices in Washington County. A recently issued report sets forth the results of that endeavor. In addition, Maine has participated in setting in motion a multistate investigation into the reasons for the extreme volatility of petroleum prices in Maine and elsewhere during and after the September hurricanes. That investigation is ongoing. In an initial phase, however, the Attorney General independently conducted a brief but in-depth inquiry, and based on its results, addressed a letter to the Maine Congressional delegation calling for investigation and analysis by the General Accountability Office ("GAO"), a Congressional watchdog agency. The GAO responded promptly by broadening the scope of a study already in progress; that effort is also ongoing.

Although these inquiries are, strictly speaking, beyond the scope of the PMSA program and this report, they are of general interest in this context, and accordingly, we attach additional appendices documenting results, *viz.*, the Washington County report (as Appendix C); and the Attorney General's letter to the Congressional delegation with regard to market volatility (Appendix D).

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 integration³ to stake out a dominant position in Maine's retail petroleum markets, through 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.⁴

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

³ 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.

⁴ For example, Maryland bars operation of retail gasoline outlets by refiners. Md. Code Ann., Bus Reg. 10-311; and see *Exxon Corporation v. Governor of Maryland*, 437 US 117 (1978).

firm, or group of firms, could successfully exercise market power to levy monopoly profits by 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.*

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. The Attorney General’s office has developed a familiarity with, and expertise in the required analysis through experience in enforcing Maine’s merger law, 10 M.R.S.A. § 1102-A, over the past quarter century.

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 focuses 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).⁵

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. 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. On this basis, we have divided the State into thirty-three separate geographic markets which fairly approximate economic and

⁵ In general, home heating oil and motor fuel, as defined in the statute, are properly susceptible of antitrust analysis as distinct product markets.

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 level of competition which actually exists may be understated in some instances in this report.⁶ We 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 in levels of 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.⁷ Wherever a trend toward concentration is observed within these hypothetical markets, a fuller and more accurate analysis can be brought to bear, as needed, in order to pinpoint the geographic sources of the trend.

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 market is the level of concentration.⁸ Federal and state antitrust agencies (including this office) employ the Herfindahl-Hirschman Index to measure market concentration.⁹ The index is arrived at by squaring the market shares of all the competitors in a given market, then totaling the squares. This simple mathematical device expresses the insight that market power increases exponentially in proportion to market share. Federal antitrust guidelines used by this office 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).¹⁰ A market with an index between 1000 and 1800 is described as moderately concentrated; while any index over 1800 is termed highly concentrated.¹¹ 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.

⁶ We would welcome comment in this regard from readers of this report.

⁷ Use of county markets also permits a meaningful integration of motor fuel bulk sales to end users into the calculation of market share.

⁸ That competition in turn represents the best guarantee to consumers of high quality and low price needs no emphasis here.

⁹ DOJ/FTC Horizontal Merger Guidelines, www.usdoj.gov/atr/public/guidelines/hmg.htm

¹⁰ For example, eight firms, five with market shares of 10% each and the rest with shares of 9, 12 and 15% would yield an index of 950 ($100 + 100 + 100 + 100 + 100 + 81 + 144 + 225 = 950$).

¹¹ For example, a market comprising five firms with market shares of 20% each would yield an index of 2000 ($20 \text{ squared} \times 5$).

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, a 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." For markets above 2500 points, we add the appellation "extremely concentrated."

For motor fuel markets we have employed different categories 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 described as "unconcentrated;" 500 - 1000 is termed "moderately concentrated," and 1000 -1800 is "highly concentrated." The "extremely concentrated" designation is reserved for motor fuel markets scoring above 1800 points.

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 concentration indices 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 attachments to this report.

1. Overview: Retail Home Heating Oil Markets.

Levels of concentration and competition. Levels of concentration in Maine's retail home heating oil markets remain relatively high. This means that Maine's retail heating oil markets are not as competitive as we could wish.

This year, only one of the state's 33 home heating oil markets, Portland, qualified for the "unconcentrated" appellation (index below 1000). Only nine additional markets exhibited moderate levels of concentration (index between 1000 and 1800), namely Augusta, Lewiston-Auburn, Rockland, Ellsworth, Skowhegan, Waterville, Bangor, Bridgton and Lincoln. At the other end of the spectrum, another nine markets showed high levels of concentration (index between 1800 and 2500), while the remaining 14 markets fell into the "extremely concentrated" category, racking up index totals over 2500 points each. The 10 most concentrated markets in the state are: South Paris, Sanford, Woodland-Calais, Cherryfield-Machias, Jackman-Greenville, St. John Valley, Dover-Foxcroft, Mount Desert, Bethel and Houlton,¹² in that order (*i.e.*, most concentrated, first mentioned).

Geographic observations. Several geographic generalizations can be gleaned from this year's data. Urban centers along the interstate 95 corridor south of Aroostook and north of Biddeford, including Portland, Lewiston-Auburn, Augusta, Waterville, and Bangor were

¹² Of these, the bottom four all 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.

unconcentrated or only moderately concentrated. In addition, there were pockets of competition along the coast (Rockland, Ellsworth); and in the north central (Skowhegan) and western (Bridgton) sections of the state. Conversely, all markets along Maine's western and southern borders (with the single exception of Bridgton) remain highly to extremely concentrated. Northern Maine, as well as the remote interior (excepting only Lincoln) also remain highly to extremely concentrated. Southern coastal markets, too (Biddeford/Saco, York), remain highly to extremely concentrated. Except for the competitive pockets identified above, coastal areas north of Portland were highly to extremely concentrated, including Bath-Brunswick, Midcoast, Belfast, Mount Desert and the downeast region.

Gains, losses and trends. This year, significant deterioration in competitive conditions was registered in Sanford (up 1809 points, following on the heels of an increase of 1468 points last year). Steady, if less dramatic declines in competition are observable over the past five years in Houlton, Woodland-Calais, Dover-Foxcroft and Belfast. Bright spots, with significant competitive gains this year, include York, Jackman-Greenville and Jay (the latter with a remarkable 2200 point improvement); despite these gains, however, all three markets remained in the highly concentrated range. Over thirteen reporting periods, Augusta and Portland stand out as consistent top performers; Rockland and Skowhegan have also compiled consistent competitive records, with Ellsworth, Waterville and Lewiston-Auburn showing consistency over the past five years. On the other hand, consistency is not necessarily positive: South Paris and Sanford have consistently recorded among the highest levels of concentration in the State.

Overall, the data accumulated this period present a picture of relative stability. Average and median levels of concentration have held remarkably steady over time. For example, this year's average index of concentration (2543) and median (2334) both remain within 400 points of the lowest figures recorded. Moreover, the general impression of stability holds up on closer examination of data specific to particular markets. In effect, this year only six markets registered HHIs varying significantly from their thirteen-year average. It is disquieting to note that of these six, only York showed an improvement in relation to its average; the others, Woodland-Calais, Cherryfield-Machias, Belfast, South Paris and Sanford registered HHIs more than a thousand points above their average performances, whether as a result of steady or precipitate declines in competition. The data suggest modest offsetting competitive gains over the thirteen-year period in Bridgton and Jay (both showing significant improvement this year), Midcoast and Lincoln (both registering steady gains over five years).

Refiner position. Of 33 markets statewide, a refiner led the field with the highest market share in only three (down from four last year). In two of these, the refiner held a market share in excess of 40%, contributing to high levels of concentration. These markets merit and will receive special vigilance. Strikingly, however, of the 10 most concentrated markets in the state, a refiner commanded significant market share (in excess of 15%) in only two. In the other eight, refiner presence was either very modest or nonexistent. On the other hand, seven of the ten most concentrated markets in the State are dominated by a single nonrefiner with a market share exceeding 50% (in two instances, exceeding 70%).

Conclusion. The Attorney General is concerned by the generally high levels of concentration in this industry.¹³ That concern is heightened by negative trends in some markets.¹⁴ However, there is no evidence that competition has declined in any market as a result of increasing refiner dominance. On the contrary, it appears that in a few HHO markets, increasing refiner participation has had a demonstrably beneficial short-term effect on levels of concentration. We suspect that in some cases market participants are reluctant to enter new markets, fearing that an entrenched rival could respond in kind. However, such new entry, whether by refiners or nonrefiners, invariably offers consumer benefits, and is certainly encouraged. In this context, it may be appropriate to remind market participants that any agreement or understanding to divide or refrain from entering certain markets would be *per se* illegal under the antitrust laws. Even a shadow of such an agreement would be aggressively investigated by this office.

Against this picture of (a) relative stability, accompanied by (b) deteriorating competitive conditions in some markets, with (c) a refiner and a number of nonrefiners staking out dominant positions in discrete areas, careful monitoring remains the order of the day. Special vigilance is appropriate in any area dominated by a single participant, refiner or not. In an appropriate case the Attorney General will not hesitate to challenge a proposed acquisition that could substantially reduce competition or to take other enforcement steps as needed.

2. Overview: Retail Motor Fuel Markets.

Levels of concentration and competition. During this reporting period, only one of the county motor fuel markets fell into the unconcentrated category, namely Cumberland. Seven others qualified for the “moderately concentrated” classification: York, Hancock, Waldo, Kennebec, Knox, Penobscot and Androscoggin. The eight remaining county motor fuel markets were highly concentrated; none were extremely concentrated. Oxford and Piscataquis Counties were in a class by themselves with far and away the highest levels of concentration.¹⁵

Geographic observations. In general, high levels of concentration were ubiquitous across the State. However, competition appeared healthier in some coastal areas and along the interstate 95 corridor from York to Penobscot. Among coastal counties, Lincoln, Sagadahoc and Washington Counties were the exception, exhibiting persistently high levels of concentration.

Gains, losses and trends. Over thirteen reporting periods, four counties have shown consistently low levels of concentration: York, Cumberland, Knox and Waldo. At the opposite

¹³ 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. With an eye to the motivating purpose of the PMSA program, we will also pay close attention to the part played by refiners in bringing about any such trend.

¹⁴ Note that 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.

¹⁵ It remains that the index levels 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; nor can any comfort be derived from the fact that no markets fall into the extremely concentrated category.

end of the spectrum, Washington, Aroostook, Somerset, Piscataquis and Oxford have all displayed consistently high HHI numbers, indicative of poor competitive conditions. The only significant change in concentration over last year was registered in Franklin County, where competitive conditions improved markedly (last year, in contrast, four counties showed significant change).

Accordingly, most county markets have remained relatively stable over this period. We are pleased to note that this year's average county HHI, at 1001, is the lowest in six years, while the median, at 855, equals the lowest over the same period. County-specific data show that five counties registered HHIs this year that vary significantly from their twelve-year averages, namely Androscoggin, Knox, Oxford, Somerset and Penobscot. The first three showed competitive deterioration; however, none of them appeared to exhibit a sustained negative trend over time. These short term competitive losses were somewhat offset by halting progress in Somerset and Penobscot Counties.

Refiner position. Today, a refiner holds first or second place in terms of market share in all but two of Maine's 16 counties, with a leading position in seven of these (down from eight). Refiner market share was at or in excess of 30% in two counties, both exhibiting high levels of concentration. Again, markets which combine high refiner market share with high levels of concentration are being carefully monitored. At the same time, we notice that two county motor fuel markets were led by nonrefiners with market shares above 30%. Dominance on this scale gives rise to competitive concerns regardless of whether the market leader is a refiner.

Conclusion. The relative overall stability of these markets indicates that there is no immediate reason for alarm. Nevertheless, the Attorney General continues to be concerned about high levels of concentration in fully half of Maine's 16 counties. Increasing levels of concentration could portend higher prices in the future.¹⁶ Special attention is warranted in markets where dominance by a single player coincides with a sustained trend toward concentration. While there is no current evidence of such a sustained negative trend, vigilance remains appropriate with respect to any market that exhibits the characteristics of oligopoly.¹⁷

IV. LEGISLATIVE RECOMMENDATION

The concept of the PMSA program has been tested in action; it is working well. The PMSA program enables the Attorney General 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

¹⁶ Some local MFO markets along the Canadian border are subject to constant upward pressure on prices as a result of the proximity of higher-priced markets on the Canadian side. See Appendix C.

¹⁷ Oligopoly is a market condition in which sellers are so few that the action of any one of them will materially affect price and have a measurable impact on competitors.

ineffective -- that it would accomplish too little, too late. Nothing has intervened to alter that equation, and the risk remains. Indeed, it can be argued that the PMSA program in itself provides an effective deterrent to *blitzkrieg* monopolization of any of Maine's petroleum markets. The availability of personnel and relevant data enables the Attorney General to monitor developments, and respond rapidly and efficiently on an as-needed basis.

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.

No legislative action is required or recommended at this time.

Respectfully submitted,

Dated:

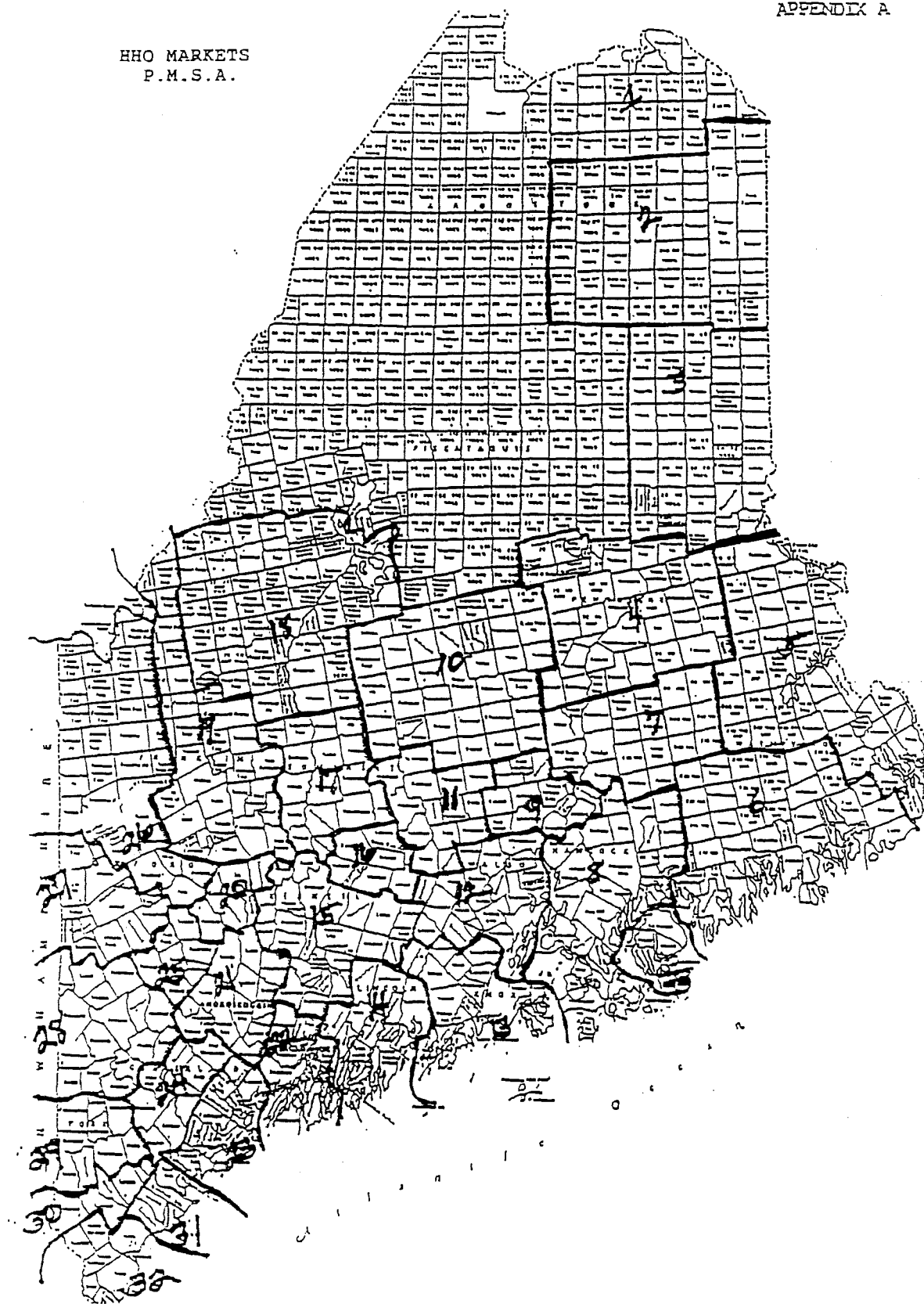
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G. STEVEN ROWE
Attorney General



FRANCIS ACKERMAN
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Consumer Protection Division

HHO MARKETS
P.M.S.A.



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 National Association of Attorneys General 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.

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Memorandum

To: G. Steven Rowe, Attorney General
From: Francis Ackerman, Assistant Attorney General
Date: March 27, 2006
Subject: Final Report/Gasoline Prices in Washington County

INTRODUCTION

This memorandum presents a final report setting forth the results of our inquiry concerning the relative levels of wholesale and retail gasoline prices in Washington County, as compared to those elsewhere in Maine. Our analysis confirms that retail gasoline prices in Washington County – and those in Aroostook County as well – are disproportionately high, although not to the extent suggested in our interim report. Similarly, our review of the causational factors that have contributed to this pricing phenomenon over the past fifteen months both develops and to some degree modifies the themes touched on in the interim report.

The purpose of the inquiry into retail gasoline prices in Washington County has been twofold: (a) to determine whether retail gasoline prices in Washington County are in fact disproportionately high in comparison to those paid in Kennebec County and other sections of the State; and, if so, (b) to identify, explore and analyze the causes underlying this pattern. Kennebec County was cited as a reference point because its retail gasoline prices are consistently among the lowest in the State.

A summary of our factual and analytical conclusions follows. In subsequent sections of this memorandum, we describe more fully:

- the history of the inquiry
- its legal context
- the facts concerning retail and wholesale gasoline prices and margins in Washington County as compared to those elsewhere in Maine
- the extent to which Washington County prices actually are disproportionate
- causational factors that contribute to Washington County's higher prices
- our conclusions.

SUMMARY

This report confirms that retail gasoline prices in Washington County are disproportionately high in comparison to those in normally competitive markets elsewhere in the State. Specifically, Washington County prices exceed the lowest county average price by 15 -18 cents, and an average for all counties except Washington and Aroostook by 10 -12 cents. These differentials cannot be explained by reference to transportation costs. Moreover, there are marked local price differences within Washington County that contradict expectations based solely on distance. The evidence makes clear that this phenomenon affects Aroostook as well as Washington County.

Our analysis indicates that these disproportionately high prices can be attributed to five factors. In no particular order, they are: (1) the influence of Canadian trans-border trade; (2) the need of low volume retailers who predominate in Maine's eastern and northern regions for higher margins as a condition of survival; (3) high levels of concentration in local markets; (4) a local competitive stalemate that discourages vigorous competition; and finally (4) the underlying effects of challenging economic conditions affecting Maine's downeast and northern regions. Local price variations within Washington County are attributable, in large part, to the influence of trans-border Canadian trade, and to a lesser extent, to localized variations in levels of concentration.

We found no evidence of illegal activity, and no evidence that wholesale pricing policies or levels played any causational role. Evaluation of available remedies is beyond the scope of this report.

ANALYSIS

I. HISTORY OF THE INQUIRY

Gasoline prices in Washington County, and Aroostook County as well, have been a controversial topic for some years. Certainly, this inquiry does not represent the first time that fuel prices in Washington County have attracted investigative attention. Past complaints, however, have not always focused on high prices. Rather, small downeast gasoline retailers have often been concerned with the threat to their margins and ultimately to their financial survival posed by low, allegedly predatory, prices charged by large, vertically integrated competitors.

For example, a predatory pricing complaint¹ emanating from Washington County was the subject of an extensive inquiry conducted by this office during calendar year 2000. Although no formal action was taken and details are not publicly available, the experience of the 2000 inquiry forms an essential part of the stalemate surrounding petroleum pricing in Washington County, and an important backdrop to the present investigation. We return to this topic in a subsequent section of this memorandum.

In the initial phase of the present inquiry, through August, 2005, we assembled limited information from several companies active as retailers and wholesalers in Washington County and elsewhere. Despite good cooperation from some quarters, the overall quality of the data was poor,

¹ Predatory pricing, a monopolization offense in violation of 10 M.R.S.A. §1102, occurs when a market participant already possessing a dominant share prices below cost for the purpose of driving out a smaller competitor.

posing an obstacle to reliable analysis. Nevertheless, we were able tentatively to confirm that prices in Washington County were disproportionately high. At that time, two factors were identified as obvious contributors to those price levels: (1) high levels of concentration and correspondingly low levels of competition in local retail gasoline markets; and (2) the strong upward influence of Canadian prices.

During the month of September and into early October, 2005, the inquiry was suspended as the gasoline price shocks that followed Hurricane Katrina absorbed our attention. We resumed work on this matter in late October, 2005.

At that point, it was determined that, since informal efforts to gather information in the first phase of the inquiry had fallen short, this office would employ compulsory process on a significant scale. Some 29 Civil Investigative Demands (“CIDs”) were issued in early November, requiring production of documents and sworn responses to detailed questionnaires by the end of the month. CIDs, like subpoenas, impose a legal obligation to produce documents or to testify. Of the 29 CIDs, 15 went to retailers and 14 to wholesalers active in Washington and Kennebec Counties. In particular, we required production of information concerning:

- retail and wholesale prices and margins for Washington County and Kennebec operations for selected months²
- relevant transportation distances and costs
- the configuration of local markets in both counties
- contracts governing the sale of gasoline at wholesale in both counties
- communications among competitors.

The quality of the data received in response to our CIDs was much improved, and its scope more complete, in comparison to the information obtained informally during the initial phase of the inquiry. As we set about the task of integrating this new material into our database,³ however, we determined that there was a need to conduct limited research in targeted areas, to further broaden our data, and thereby ensure the accuracy of our work product.

On December 18, 2005, prior to supplementing the database, we provided an interim report offering preliminary conclusions. As before, we were able to confirm the existence of a pattern of high prices in Washington County. This time, we tentatively identified an additional causational factors: the need of small to medium-sized retailers to realize higher margins to support their lower volume operations in the sparsely-populated geography of downeast Maine. We explicitly reserved judgment on the question whether wholesale prices in Washington County were out of line with those elsewhere in Maine, and if so, whether this factor played any significant causational role.

In the interval since our interim report, we have conducted telephone interviews with small “independent” gasoline retailers in Washington County. Further, we have carried out the research

² Kennebec County, a normally competitive market, was chosen as a comparative reference point.

³ All of the information gathered, by means of compulsory CID process or otherwise, is confidential by statute; even aggregated information may be disclosed only if the confidentiality of its sources can be fully protected. See 10 MRSA sec. 1107; 16 MRSA sec. 614.

needed to complete our database relative to wholesale and retail prices and margins and other relevant matters. We are confident that, with the additional information gleaned in this final phase of the inquiry, the information now on file provides a reliable basis for analysis.

II. LEGAL CONTEXT

In approaching an inquiry of this nature, and particularly in considering the availability of remedial options, it is important to understand that the Attorney General's authority in the area of gasoline prices is quite limited. The bedrock principle governing petroleum pricing in Maine is that neither wholesale nor retail prices are subject to cost-based regulation. Rather, they are set by market forces. Beyond this, the Attorney General monitors levels of competition in petroleum markets around the state under the Petroleum Market Share Act ("PMSA"). Price-fixing and predatory pricing are proscribed by familiar antitrust provisions, and may be prosecuted civilly or criminally. In addition, excessively high prices are also subject to prosecution in certain narrowly defined circumstances. Specifically, the following statutes define the legal parameters within which this inquiry was conducted.

PMSA. Under the PMSA, the Attorney General oversees a program which collects and analyzes data relating to wholesale petroleum transactions. The purpose is to provide a basis for an annual assessment of the competitive health of retail petroleum markets around the State. On the basis of that assessment, the Attorney General is called upon to offer legislative recommendations. *See* 10 M.R.S.A. § 1671.

Price-fixing. Any agreement among competitors with regard to pricing violates the prohibition against contracts and combinations in restraint of trade, and may be prosecuted either civilly or criminally. 10 M.R.S.A. § 1101.

Market allocation. Similarly, any agreement among competitors to divide or allocate markets, or to reciprocally refrain from competition, constitutes a *per se* violation of law.

Monopolization. Maine antitrust law also prohibits monopolization of trade or commerce in the State. 10 M.R.S.A. § 1102. Sustained below cost pricing by a monopolist or quasi-monopolist for the purpose of forcing competitors out of business, a practice known as predatory pricing, violates this provision. However, it is notoriously difficult to prove that a given price charged over a certain period was actually below the alleged perpetrator's own costs, as opposed to someone else's. While the Attorney General's office has conducted investigations of alleged predatory pricing over time in a number of industries and lines of commerce, it has not prosecuted a predatory pricing case in the petroleum industry within the past twenty years.

Price-gouging. Maine has on the statute books a venerable consumer protection law, which forbids "profiteering in necessities." 10 M.R.S.A. § 1105. Under this law, it is a crime (3 years incarceration, \$1,000 fine) "to exact or demand any unjust or unreasonable profit" in the sale of necessities including "fuel of all kinds." The only other prosecutorial tool currently available to the Attorney General to address excessively high pricing is the Unfair Trade Practices Act, 5 MRSA § 207. Under this statute, the Attorney General may seek to penalize pricing so excessive as to be "unconscionable."

III. PRICES AND MARGINS: TEN SALIENT FACTS

The following salient facts were gleaned from data obtained through telephone interviews, compulsory process and other private and publicly available sources of relevant information.

1. **Retail gasoline prices in Washington and Aroostook Counties are consistently higher than those in any other Maine county.** For calendar year 2005, average retail prices in Washington County were higher than those in any other county for four out of twelve months, viz., January, May, October and November. In the eight remaining months of the year, the highest county average retail price in the State was registered in Aroostook County; in each of those eight months, the second highest county average retail price was Washington County's. Thus, in all twelve months, the highest and second highest retail averages were recorded in Aroostook and Washington Counties.
2. **The highest average retail prices in other Maine counties are generally at least five cents below those in Washington and Aroostook.** In seven of twelve months, the Washington and Aroostook County averages were within a penny of each other; in the remaining five months, the averages for these two counties were never more than 3.1 cents apart. At the same time, in seven of twelve months, the third highest county average was invariably 5 cents or more (ranging up to 9.5 cents) below the second highest; in only three months was the third highest average within 2 cents of the second highest. The third place was occupied variously by Hancock County (6 months), Lincoln County (3 months) and Franklin, Piscataquis and Penobscot (one month each).
3. **In any given month, the lowest retail averages in Maine are likely to be found in Sagadahoc, Kennebec, Androscoggin, Waldo or Somerset.** For the twelve months of 2005, the lowest retail averages were found in Sagadahoc (lowest in three months, also second lowest in one other month); Kennebec (lowest in two months, also second lowest in an additional four months and third lowest in an additional two months); Androscoggin (lowest in two months, second lowest in an additional two months and third lowest in an additional two months); Waldo (lowest in two months, second lowest in two additional months and third lowest in two more); and Somerset County, which registered the lowest price in one month as well as the second lowest price in three additional months. Franklin and Oxford Counties also had the lowest average price in one month each. Cumberland and York Counties generally appeared to record competitive average prices (each had the third lowest average in two months). Consistently higher prices, albeit not reaching the levels recorded in Washington and Aroostook, were found in Hancock (third highest in six months), Lincoln (third highest in three months), Knox, Franklin, Oxford and Piscataquis Counties (each of the latter three was the third highest priced county in one out of twelve months).
4. **The lowest retail averages recorded for other counties are typically 16 -19 cents below Washington and Aroostook pricing levels.** The difference between the highest and lowest county retail averages for calendar year 2005 ranged from 9 cents up to 19.1 cents; was more than 18 cents in four months, more than 16 cents in seven months and below 10 cents in only one month. In sum, Washington and Aroostook were in a class by themselves, with prices significantly higher not only than areas considered

competitive (such as Kennebec, Waldo or Androscoggin Counties) but also consistently well above some comparably remote, economically depressed and sparsely populated areas (such as Piscataquis, Oxford, Franklin or Somerset).

5. **Washington County retail prices tend to exceed the lowest retail price recorded in the State by 15 -18 cents, and the statewide average price (excluding Washington and Aroostook) by approximately 10 -12 cents.** When compared to the lowest retail prices in the State, Washington County prices are markedly higher, with a differential on the order of 15 -18 cents. At the same time, it may be useful to view Washington County prices from another perspective, by comparing them to a statewide average. Here, the differential is more modest, falling within an approximate 10 -12 cent range.
6. **There are consistent differences in pricing levels within Washington County, with easterly markets, especially Calais, typically in a range 12-19 cents above markets in the western reaches of the County, such as Cherryfield.** Prices in Cherryfield tend to be well below Machias prices, typically by something on the order of 7 cents; those in Machias tend to be lower than prices paid or charged in Eastport by 4 -8 cents. Calais prices typically exceed those charged in Eastport by 1-4 cents. Cherryfield prices are generally 7 -10 cents higher than those in Augusta.
7. **During 2005, Washington County retailers realized margins which averaged 12.9 cents higher than those received by their Kennebec County counterparts.** A comparison of average weekly margins received by Kennebec and Washington County retailers indicates that throughout 2005, Washington County margins were uniformly (leaving aside one anomalous week in which the Washington County average margin was just over the line into red ink) well above those recorded by Kennebec County retailers. Margins in Kennebec ranged from 6.9 cents to 33.8 cents; while those in Washington County (with that one exception) ranged from 18.1 cents up to 48.3 cents. In 26 weeks, or exactly half of the year, the average Washington County margin was more than double the Kennebec figure. Apart from the one atypical week alluded to above, average Washington County margins exceeded those in Kennebec by anywhere from 5.1 cents up to 20.4 cents in any given week. Overall, Washington County margins exceeded Kennebec levels by an average of 12.9 cents.
8. **Margins actually realized by low volume independent operations in Washington County were somewhat below the county average, while those for higher volume retailers exceeded the average. Accordingly, the margins realized by low-volume independents exceeded the Kennebec average by a few cents less than the average 12.9 cent differential.** It should be noted that the margins actually realized by low volume independent retailers in Washington County were necessarily somewhat lower than the overall county average, since that average also reflects the higher margins that larger, more efficient operations were able to achieve. This would mean that in a typical week, the margins actually realized by independent retailers in Washington County might have exceeded the average Kennebec retail margin by a few pennies less than the 12.9 cents derived from the overall county averages.

9. **Wholesale rack prices at Portland and Bangor fall within closely comparable ranges; accordingly, wholesale pricing is not a factor contributing to disproportionately high retail prices in Washington County or elsewhere.** Product supplied to Washington County retailers is purchased at and shipped from racks or terminals located in Bangor, Bucksport and Searsport (collectively "the Bangor racks"). Retailers in southern and central Maine obtain product from South Portland racks or terminals ("the Portland racks"). Available data for wholesale prices available at the Portland and Bangor racks show that, while not identical, the range of prices offered on any given day tends to be closely comparable; any differences are statistically insignificant, with little or no impact on retail pricing.
10. **There are clear variations in the contractual terms and pricing policies offered by different wholesalers to Washington County retailers, with the result that some retailers are placed in a better position than others; however, while it may behoove retailers to shop terms, policies and prices, it does not appear that these variations have had an impact across the board on overall retail pricing levels in Washington County.** Actual wholesale prices paid by retailers in Washington County for delivered product vary from one account to another, based on differing contractual terms and different pricing policies among wholesalers; accordingly, some retailers may be placed in a better position than others, and some wholesalers may realize greater margins than others. However, the level of wholesale margins as such (as opposed to wholesale prices) has no impact on retail prices or margins; and variations among contract terms and pricing policies that work to the advantage of one retailer or the disadvantage of another do not appear to have had an impact on the overall level of retail prices in Washington County.

IV. THE EXTENT OF THE DISPROPORTION

At this point, it is appropriate to consider, on the basis of the facts reviewed above, whether and to what extent retail prices in Washington County really are out of step with those elsewhere in the State. The question can be posed in another way: after accounting for transportation costs, how much more do downeast citizens pay for their gasoline than their counterparts in Kennebec and elsewhere in the State?

Data on file indicate that a reasonable working estimate of the costs associated with transportation of gasoline is approximately 0.055 cents per gallon per mile. On this basis, some relevant transportation costs may be calculated as follows:

TABLE 1: Transportation Costs

<u>Itinerary</u>	<u>Distance/Miles</u>	<u>Cost/cents per gallon</u>
Portland-Augusta	58	3.19
Bangor-Cherryfield	59	3.24
Bangor-Machias	85	4.68
Bangor-Calais	95	5.23
Bangor-Eastport	120	6.6

Thus, transportation costs incurred by retailers in Cherryfield, or their wholesale suppliers, exceed those applicable in Augusta by a mere 0.055 cents per gallon, while the corresponding differentials for other relevant locations are:

Machias 1.5 cents Calais 2 cents Eastport 3.41 cents

Based on these facts, all other things being equal (*i.e.*, if there were no other factor present to drive Washington County prices up), one would expect retail prices in Cherryfield to approximate those in Augusta; as one traveled east, one would expect to see prices in Machias about 1.5 cents above the Augusta benchmark, and those in Calais 2 cents above Augusta. Prices at the end of the line in Eastport might be expected to exceed Augusta by about 3.5 cents.

In fact, as noted above, retail prices in Cherryfield actually tend to exceed Augusta by 7 to 10 cents. Machias adds another 7 cents (14 -17 cents above Augusta); Eastport prices add another 4-8 cents over Machias (18 -25 cents above Augusta), and Calais, though not as far east as Eastport, attains the highest prices, some 1 -4 cents above Eastport and 19 -29 cents higher than Augusta. These comparative data are portrayed below:

Table 2: Transportation Costs & Actual Price Increments

Location	Additional Transportation Cost	Actual Increment Over Augusta
Cherryfield	0.055	7 -10
Machias	1.5	14 -17
Calais	2	19 -29
Eastport	3.5	18 -25

From this perspective, Washington County prices are certainly out of proportion to those in Augusta; and they appear to become more disproportionate with increasing distance -- until one reaches Calais. The fact that Calais prices exceed not only those to the west but also Eastport prices indicates that the proximity of the Canadian border exerts a powerful upward pressure. Even after adjusting for transportation costs, prices increase exponentially as one approaches the border; and

diminish as one travels away from it. While it is difficult to quantify this impact given the number of variables in play, the proximity of the border may increase prices by a maximum (*i.e.*, at the border) as high as 5-13 cents; its influence may radiate outward from border communities, decreasing with distance, within an approximate forty-mile radius.

Viewed from another angle, on the basis of a comparison of countywide data (*i.e.*, without taking account of locational differences), Washington County prices average 15 -18 cents above the lowest county average in the State, and 10 -12 cents above an average for all counties except Washington and Aroostook. These average price differentials must be considered in light of the fact that the distances separating Washington County retailers from their source of supply are not as great as the distances product must be transported to locations in several other counties, among them Aroostook, Franklin, Oxford and Piscataquis.

Without question, these numbers also clearly indicate that retail gasoline prices in Washington County are significantly out of proportion to those elsewhere in the State. The same phenomenon is observable in Aroostook County. With these facts in mind, we turn to an analysis of the causational factors that may be implicated in conferring this undesirable distinction on the downeast and northern regions.

V. SIGNIFICANT CAUSATIONAL FACTORS.⁴

Washington and Aroostook Counties' high retail gasoline prices can be attributed to five factors. Four of these maybe termed primary, or direct causational factors; the fifth is secondary in that it contributes to the conditions underlying three of the first four.

The Canadian border. One primary factor which clearly contributes to disproportionate prices in Maine's downeast and northern regions has been identified above: the trans-border influence of Canadian prices. The fact that the only two Maine counties with population centers close to the border also have the highest prices by a considerable margin is solid evidence of the impact of Canadian prices, as is evidence showing that Calais prices tend to exceed those charged in locations more distant from the Bangor racks. This factor has a localized impact, exerting upward pressure on prices in relation to a market's proximity to the border. While the effect of this influence is difficult to quantify, it is certainly significant, perhaps increasing prices by as much as 5-13 cents at the border, and by lesser amounts up to as far as 40 miles away. The dynamic is straightforward: Canadian buyers cross into Washington or Aroostook to take advantage of prices perceived as low; entrepreneurs in border communities naturally seek to exploit the Canadian trade by increasing prices and profits according to what the market as a whole will bear.

Higher retail margins. A second primary factor that contributes significantly to disproportionate prices is the level of retail margins realized in Washington County. Downeast margins average 12.9 cents above those in Kennebec. Considering that Washington County average retail prices exceed the lowest county average in the State by 15 -18 cents and a statewide average

⁴ In enumerating the factors contributing to disproportionate prices in Washington County, we discount transportation costs, since the very purpose of the inquiry is to discover why the price differential separating Washington and Aroostook Counties from other sections exceeds transportation costs.

(excluding Washington and Aroostook) by 10 -12 cents, it appears that Washington County's higher margins account for a large part of the retail price differential.

At the same time, it should be emphasized that the figures given for Washington County retail margins are averages. Data collected pursuant to the PMSA program confirm that Washington County has a high proportion of small to modest-sized gasoline retailers. Within the average figures given above, smaller retailers will certainly realize lower margins, while larger, more efficient operations reap greater profit. Be that as it may, it is clear that small retail gasoline businesses in Washington County require higher margins than larger enterprises in Kennebec and elsewhere to enable them to survive in the context of the downeast region's decentralized and sparsely-populated rural economy.

High levels of concentration in local markets. A third primary factor affecting price levels in Washington and Aroostook is the level of competition in their local markets. As our PMSA report testifies, those markets tend to be highly concentrated (*i.e.*, they have relatively few competitors with high market shares). It is axiomatic in antitrust theory that high levels of concentration tend to result in higher prices for consumers.

A local stalemate that discourages competition. In Washington County, the effect of high levels of concentration is compounded by a competitive stalemate that discourages aggressive pricing. It has been noted above that a few modern, high volume gasoline outlets operate successfully in Washington County. Why do these operations not compete more aggressively and lead prices down for the benefit of consumers? The answer is that these large retailers find themselves in a delicate position as a result of Washington County's history of predatory pricing complaints and investigations. In an environment where low volume independents have repeatedly come forward with predatory pricing complaints, a dynamic other than competition comes into play. Larger competitors that have the ability to drop prices to win market share for themselves and incidentally benefit consumers (at least in the short term) may decline to do so for political or public relations reasons, *viz.*, to avoid making enemies. At the same time, the perceived necessity of maintaining higher prices does not exactly impose a hardship on these larger operators; rather, it provides them with a justification for reaping even higher margins than their smaller competitors.

Of course, any agreement between competitors to maintain prices at a given level, or indeed any arrangement at all between competitors concerning prices, would violate state as well as federal antitrust law. But provided all pricing decisions are reached unilaterally, there is nothing illegal about forbearance, *i.e.*, a decision by one company to avoid placing competitors at economic risk by competing aggressively on price. In the present inquiry, we have found no indication of any illegal price-fixing or other collusive activity. Any information to the contrary should be brought to our attention immediately, and would be aggressively pursued.

Economic conditions. A secondary factor that also contributes to the pattern of disproportionately high retail gasoline prices is the economic condition of Maine's eastern and northern regions. Washington and Aroostook were the only counties in Maine that continued to lose population during 2000-2004. Both counties have low population densities and are among those with elevated percentages of residents with incomes below federal poverty standards. These elements contribute indirectly to higher gasoline prices. Those elevated prices, in turn, become part and parcel of the economic challenge facing the region.

Wholesale price levels. It merits mention that no evidence was found linking wholesale pricing policies in any consistent way to disproportionate retail prices. Wholesale margins, as such, have no impact on retail prices. Wholesale prices may, but available data shows the Bangor and Portland racks tracking each other so closely that no consistent differential can be established. As to additional charges for delivered product, pricing policies vary among wholesale suppliers. Some policies or contract terms may be more onerous than others, with the result that affected retailers may face a harder struggle to survive. Anecdotally, we are aware that situations have arisen where a small retailer has suffered the indignity of seeing its supplier selling gasoline at its own outlets at a retail price below the wholesale price paid by the small competitor.⁵ However, there is adequate competition among wholesalers in the region, so that retailers who find themselves in a disadvantageous position are able to shop for a better deal.

CONCLUSION

This report confirms that retail gasoline prices in Washington County are disproportionately high in comparison to those in normally competitive markets elsewhere in the State. Specifically, Washington County prices exceed the lowest county average price by 15 -18 cents, and an average for all counties except Washington and Aroostook by 10 -12 cents. These differentials cannot be explained by reference to transportation costs. Moreover, there are marked local price differences within Washington County that contradict expectations based solely on distance. The evidence makes clear that the same phenomenon affects Aroostook County as well.

These disproportionately high prices can be attributed to five factors. In no particular order, they are: (1) the influence of Canadian trans-border trade, which may raise prices by 5-13 cents in border communities, with a diminishing impact up to 40 miles away; (2) the need of low volume retailers who predominate in Maine's eastern and northern regions for higher margins as a condition of survival; (3) high levels of concentration in local markets; (4) a local competitive stalemate that discourages aggressive pricing; and finally (5) the underlying effects of challenging economic conditions affecting these regions. Local price variations within Washington County are attributable, in large part, to the influence of trans-border Canadian trade, and to a lesser extent, to localized variations in levels of concentration.

Since there is no evidence of illegal activity, no prosecutorial remedy is recommended at this time. Beyond this, evaluation of available remedies is outside the purview of this report.

⁵

We encourage any retailer who may be confronted with this or a similar situation to contact us.

TABLE 3: RETAIL GASOLINE PRICES
COUNTY AVERAGES 2005: SELECTED MONTHS

<u>MARCH</u>		<u>JUNE</u>		<u>OCTOBER</u>		<u>DECEMBER</u>	
Androscoggin	203.3	Waldo	211.6	Kennebec	257.6	Sagadahoc	217.7
Waldo	204.8	Androscoggin	213	Somerset	258.8	Kennebec	218.4
York	204.8	Kennebec	214.4	Waldo	260	Androscoggin	218.8
Kennebec	205.1	Cumberland	214.6	Sagadahoc	261.8	Cumberland	220.2
Somerset	205.3	Sagadahoc	214.7	York	262.6	York	220.7
Cumberland	205.5	Somerset	215.1	Cumberland	262.6	Waldo	220.8
Sagadahoc	205.9	Piscataquis	215.8	Penobscot	263.1	Oxford	221.4
Oxford	206.3	York	215.9	Androscoggin	263.2	Somerset	221.4
Piscataquis	207	Oxford	216	Franklin	263.5	Franklin	222.2
Franklin	207.5	Penobscot	216.5	Hancock	266.3	Lincoln	223.9
Knox	208	Knox	217.1	Oxford	266.7	Knox	223.9
Lincoln	209.4	Franklin	218.7	Piscataquis	267.5	Piscataquis	225
Penobscot	209.7	Lincoln	219.3	Knox	267.5	Penobscot	225.4
Hancock	212.1	Hancock	220.1	Lincoln	268.6	Hancock	227.6
Washington	218.5	Washington	227.9	Aroostook	273.3	Washington	234.1
Aroostook	221.6	Aroostook	228.1	Washington	273.4	Aroostook	236.3

TABLE 4: RETAIL GASOLINE PRICES
COUNTY AVERAGES: LOWEST & HIGHEST

	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
LOW	Sagadahoc 183.9	Androscoggin 191.6	Androscoggin 203.3	Waldo 216.8	Sagadahoc 209.4	Waldo 211.6
	Kennebec 184.1	Kennebec 192.4	Waldo 204.8	Somerset 219.1	Kennebec 210.6	Androscoggin 213
	Cumberland 184.3	York 192.4	York 204.8	Kennebec 219.4	Waldo 210.9	Kennebec 214.4
HIGH	Hancock 190.4	Hancock 199.6	Hancock 212.1	Hancock 224.9	Franklin 217.4	Hancock 220.1
	Aroostook 193.2	Washington 207.3	Washington 218.5	Washington 233.3	Aroostook 224.6	Washington 227.9
	Washington 198.5	Aroostook 207.6	Aroostook 221.6	Aroostook 236.2	Washington 225.3	Aroostook 228.1
	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
LOW	Somerset 227.6	Franklin 247.7	Oxford 287.1	Kennebec 257.6	Kennebec 213.6	Sagadahoc 217.7
	Androscoggin 228.6	Somerset 248.4	Penobscot 287.7	Somerset 258.8	Sagadahoc 215.4	Kennebec 218.4
	Kennebec 229.1	Waldo 248.9	Androscoggin 289.7	Waldo 260	Cumberland 213.2	Androscoggin 218.8
HIGH	Hancock 234.1	Hancock 251.8	Lincoln 295.2	Lincoln 268.6	Knox 223.4	Hancock 227.6
	Washington 239.8	Washington 257	Washington 295.2	Aroostook 273.3	Aroostook 231	Washington 234.1
	Aroostook 242.8	Aroostook 258.4	Aroostook 296.1	Washington 273.4	Washington 232.7	Aroostook 236.3

TABLE 5: RETAIL GASOLINE MARGINS
WEEKLY AVERAGES, KENNEBEC & WASHINGTON COUNTIES

<u>WEEK</u>	<u>MARGIN DIFFERENCE</u>	<u>WEEK</u>	<u>MARGIN DIFFERENCE</u>
1	14.2	27	10.3
2	13.9	28	10.7
3	14.6	29	11.8
4	12.8	30	10.4
5	12.4	31	10.2
6	13.2	32	7.8
7	14.6	33	5.2
8	16.1	34	7.9
9	13.3	35	-10.8
10	12.5	36	8.4
11	13.4	37	8.5
12	13.7	38	5.1
13	13.3	39	7.1
14	13.9	40	11.8
15	14.5	41	12.6
16	13.8	42	17.7
17	14.5	43	20.4
18	17.3	44	20.4
19	13.7	45	18.6
20	12.7	46	18.5
21	17.7	47	17.8
22	16.5	48	16.4
23	15.6	49	12.4
24	14.4	50	14.5
25	10.8	51	17.1
26	11.3	52	15.1

TABLE 6: RETAIL GASOLINE PRICES

WASHINGTON AVERAGE VS. FOURTEEN COUNTY AVERAGE*

	MAINE <u>AVERAGE</u>	WASHINGTON <u>AVERAGE</u>	<u>DIFFERENCE</u>
MARCH	206.7	218.5	11.8
JUNE	216	227.9	11.9
OCTOBER	263.6	273.4	9.8
DECEMBER	222	234	12

*** The fourteen county average excludes Washington and Aroostook**

TABLE 7: BANGOR & PORTLAND RACK PRICES

PRICE RANGES COMPARED: RANDOM DAYS

	<u>BANGOR</u>	<u>PORTLAND</u>
9/14/05-9/16/05	200.57 - 220.9	199.2 - 220.15
10/17/05-10/19/05	173.29 - 192.95	172.7 - 188.95
11/15/05-11/17/05	146.18 - 157.6	145.64 - 153.75
12/13/05-12/15/05	166.85 - 171.64	164.25 - 171.07
1/23/06-1/25/06	175.99 - 186.5	174.8 - 184.9

TABLE 8: SELECTED MAINE CENSUS FACTS BY COUNTY

	POPULATION GAIN/LOSS <u>2000-2004</u>	PERCENT BELOW <u>POVERTY</u>	POPULATION DENSITY <u>(PERSONS/SQ. MILE</u>
WASHINGTON	-1.1	19	13.2
AROOSTOOK	-0.7	14.3	11.1
FRANKLIN	0.9	14.6	17.4
SOMERSET	1.4	14.9	13
PISCATAQUIS	1.7	14.8	4.3
PENBOSCOT	2.3	13.7	42.7
CUMBERLAND	3	7.9	317.9
KENNEBEC	3	11.1	135
ANDROSCOGGIN	3.1	11.1	220.7
HANCOCK	3.4	10.2	32.6
OXFORD	3.4	11.8	26.3
KNOX	3.5	10.1	108.3
LINCOLN	4.8	10.1	73.7
SAGADAHOC	4.9	8.6	138.7
WALDO	5.8	13.9	49.7
YORK	7.3	8.2	188.5

APPENDIX D

G. STEVEN ROWE
ATTORNEY GENERAL



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October 13, 2005

Senator Olympia J. Snowe
154 Russell Senate Office Building
Washington, D.C. 20510-1903

Senator Susan M. Collins
461 Dirksen Senate Office Building
Washington, D.C. 20510

Congressman Tom Allen
1630 Longworth House Office Building
Washington, D.C. 20515

Congressman Michael Michaud
437 Cannon House Office Building
Washington, D.C. 20515

Dear Senator Snowe, Senator Collins, Congressman Allen, and Congressman Michaud:

I write to ask for your help with the continuing crisis arising from persistently high and volatile petroleum prices, a national problem tragically highlighted by the impact of the recent hurricanes. In their aftermath, our federal government must assure itself and its citizens that petroleum markets are structured rationally and result in fair prices.

The performance of petroleum markets over the past several weeks suggests the contrary. Current market structures have the effect of enhancing the profits of refiners, traders and speculators while threatening the livelihoods and lives of millions of Americans. Specifically, it appears that current elevated prices and unprecedented market volatility may be traceable to: (1) the increasing concentration of the United States refining industry; (2) permissive rules and oversight governing the New York Mercantile Exchange (NYMEX), the commodities market where petroleum futures are traded among petroleum companies, speculators, and hedge funds; and (3) the unregulated operations of the off-exchange market in over-the-counter derivatives.

I am convinced that the time has come for the federal government to commission an independent, professional, in-depth study of these markets as a basis for fundamental reforms designed to stabilize and rationalize petroleum markets in the interest of American consumers. This study must be initiated immediately and carried out on an aggressive schedule. I am aware that the Comptroller General of the Government Accountability Office (GAO) has initiated a study related to market oversight, and that the scope of that study is still taking shape. While there may be other ways to approach this problem, the status of the GAO study may present a unique opportunity to obtain recommendations on how our nation can best respond to this crisis.

The paragraphs that follow will update you on recent events in Maine from the perspective of the Attorney General's Office and explain the rationale for commissioning the study I suggest.

A. MARKET MONITORING IN MAINE

1. **Price survey.** Over the six weeks, my office has received an unprecedented number of consumer and small business complaints concerning high petroleum prices from every county in Maine. In response, I directed my staff to conduct a daily survey of wholesale and retail prices in selected locations around the State to inform us on a current basis concerning developments and trends. We sought and obtained the invaluable cooperation of local law enforcement in this endeavor. Further, we made and maintained contact with participants at all levels of the industry in Maine. While our review of the data collected is ongoing, we are in a position to offer several observations on the course of events.

2. **Market dynamics.** Prices for petroleum products nationwide are generally indexed to prices recorded on the NYMEX. Thus, despite the fact that a relatively high proportion of Maine's oil and gasoline originate in Canada, as the market reacted to the impact of Hurricane Katrina on Gulf refineries, wholesale prices in Maine (and throughout the country) tracked the unprecedented swings and fluctuations of the NYMEX. As the crisis unfolded, Maine retail prices rose rapidly in response to unprecedented wholesale increases. In fact, in many instances, although not uniformly, retail prices rose commensurately with wholesale prices within a matter of hours.

Some wholesalers, fearing a shortage, placed their inventory "on allocation," *i.e.*, announced they would sell only to regular contract customers. Others offered a competitive rate to regular customers, but forced independents to pay exorbitant wholesale prices higher than prevailing retail.

A high proportion of consumer complaints accused retailers of taking unfair advantage by raising prices on product they had purchased at a relatively low wholesale price and already had in the ground. However, we understood retailers' need to hedge against potential losses when the market turns; thus, we advised complainants that the rapid retail price increases were a justifiable, albeit unwelcome business precaution.

As market conditions permitted wholesale prices to fall, a troubling (though familiar) pattern emerged: retail prices that had gone up very quickly came down slowly. I strongly believed that in such exceptional circumstances, fairness to consumers dictated that retailers should pass along the decline in wholesale prices as rapidly as they had passed on the initial increases; and I issued a public statement urging them to do so. The response by retailers was very positive. On behalf of consumers, I am grateful to Maine retailers who stood by their customers and led prices down to levels below regional averages.

3. The source of the problem is not in Maine. While some Maine retailers undoubtedly realized increased profits for limited periods during the price spikes, those profits were too short-lived to be described as excessive. Other retailers registered significant losses. Currently available information provides no indication that unusual profit levels were realized at retail or wholesale by any party in Maine. It seems obvious that the recent unprecedented spikes and volatility did not originate in Maine.

Although Hurricane Katrina is now part of history, the crisis is far from over. Maine citizens face a winter of lean wallets, sputtering furnaces and chilly rooms. This is not merely a matter of dollars and cents, or even comfort and discomfort. It can be matter of sustaining life, and is certainly a matter of justice. There is therefore a real urgency to finding a solution to the underlying problems. Since they did not originate in Maine, nor, presumably, in any other local or regional marketplace, we can infer that the source of these problems is in upstream markets, *i.e.*, trading, refining or prior stages of production.

B. THE NEED: INTENSIVE STUDY, EFFECTIVE REFORM

Our research suggests that the structure of the refining industry, and the operations of the NYMEX and the off-exchange market for over-the-counter derivatives should be made the central focus of a careful and intensive national study, to be initiated immediately and carried out on an aggressive schedule. We urge you to take a leading role in advocating for and organizing this study as a basis for fundamental reforms.

This is by no means a new idea. Others have proposed and championed studies of one aspect or another of the underlying problems, in some cases long before Hurricane Katrina. What is new is the urgency with which government must confront and find a remedy for these problems. A process of immediate and intensive study leading to decisive and effective action must be initiated now.

In the paragraphs below, some of the symptoms of crisis in the areas identified for study and reform are briefly reviewed.

1. **Refining industry structure.** A number of recent studies have sounded warnings with regard to the relentless trend toward consolidation in the American refining industry. In a paper dated May 2004, the GAO tallied 2,600 mergers, acquisitions and joint ventures in the petroleum industry during the period 1991-2000. For its part, the Federal Department of Energy has identified 15 major refining companies that combined into seven over the period 1997-2002. To cite the most obvious examples, Exxon and Mobil merged in 1999; in 2000 it was BP Amoco and ARCO; and in 2001, Chevron and Texaco combined. As recently as September 7, 2005, the Federal Trade Commission saw fit to approve the acquisition of Premcor by Valero, creating the largest domestic refiner.

Consolidation reduces competition and can facilitate collusive behavior. The result of recent petroleum mergers may be an oligopolistic market structure that makes it

easy to limit capacity and keep inventories low on an industry-wide basis. It is striking that not a single new refinery has been constructed in the United States in almost 30 years. It appears that tight capacity and chronically low inventories have tended to create an imbalance between demand and supply, and contributed to record refiner profits in recent years.

A thorough, impartial study of the relationship between refining industry structure and profits on the one hand, and wholesale and retail prices on the other, together with a review of all available remedies, should be undertaken as part of the national study for which we seek your support.

2. **NYMEX, CFTC & OTC derivatives.** NYMEX functions as an essential price-determining and risk-managing tool for buyers and sellers of physical petroleum products. In recent years, however, speculating traders who have no stake in the petroleum industry have dramatically increased their participation on the exchange. Federal law recognizes that excessive speculation can create unreasonable volatility and charges the Commodity Futures Trading Commission (CFTC) with establishing limits to prevent such volatility. However, the limits established by the Commission until now appear insufficient to rein in speculation and contain volatility.

Among available options, CFTC could limit speculation on the exchange by increasing initial speculative margin requirements (*i.e.*, increasing the amount of money a speculator must pay down in order to make a purchase, or establish a position in the market), by further limiting the extent to which any given participant can speculate (setting speculative position limits), by limiting the amount by which prices of certain products may rise or fall in a single day before triggering suspension of trading in these products, and by regulating the duration of such a forced closure. The extent to which these and perhaps other options could be employed is an important area for study.

There are differing views as to why the CFTC has not acted to rein in the NYMEX more effectively. Some, perhaps, would disagree as to the gravity of the perceived problem. Others cite the *laissez-faire* philosophy of the current Commission; and there are suggestions that the relationship between regulator and regulated is overly cozy. For example, when James Newsome stepped down as CFTC Chair in 2004, it was to accept a position as president of NYMEX at a reported \$1 million annual salary. An independent review of this regulatory regime should be undertaken without delay.

Thoughtful observers also indicate that the problem of volatility is further compounded by the wholly unregulated off-exchange market for so-called OTC (over-the-counter) derivatives. Some authorities believe that speculative activity in this context may pose a very significant threat to our economy. Again, intensive study is in order.

3. **Petroleum reserves.** Finally, it may be appropriate to study the rules governing the national and northeast petroleum reserves, to determine whether they are sensible and streamlined enough to provide timely relief for small businesses and

consumers. Critics believe that current rules governing the release of product may be insufficiently flexible and responsive.

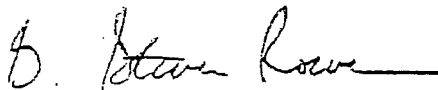
CONCLUSION

In making this plea for your assistance, I make no claim to be offering new or original ideas. In the recent past, there have been multiple calls for studies of the structure of the refiner industry, the impact of NYMEX on nationwide petroleum markets and the effectiveness of CFTC. Indeed, multiple studies have been conducted. Both the GAO and the FTC have reviewed refiner industry structure. We are aware that the GAO has begun to define the scope of a study looking, at least, at the operations of the NYMEX and the CFTC, and their implications for petroleum prices. We are also aware of Congress' recent formation of the Gas Price Task Force.

What is missing from these laudable initiatives, however, is a sense of the urgency with which this problem must be attacked. **We can no longer afford disjointed half-measures or piecemeal steps; rather, the best resources government can bring to bear should be combined and coordinated in a unitary effort. The goal must be to identify and implement fundamental reforms on an accelerated schedule. I would suggest that the GAO may be in the best position to conduct an independent and comprehensive analysis of these issues.**

I urge you to act now to begin this process. If you would like to confer with me or members of my staff working on this matter, please let us know. Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "G. Steven Rowe", with a long horizontal flourish extending to the right.

G. STEVEN ROWE
Attorney General

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
Cumberland 415	Cumberland 416 (+1)	York 341 (-104)	Cumberland 394 (-81)
York 452	York 445 (-7)	Cumberland 475 (+59)	York 396 (+55)
Androscoggin 482	Knox 503 (-7)	Knox 528 (+25)	Androscoggin 530 (-17)
Knox 510	Androscoggin 511 (+29)	Androscoggin 547 (+36)	Knox 530 (+2)
Lincoln 714	Hancock 580 (-392)	Waldo 735 (+60)	Waldo 637 (-98)
Penobscot 971	Franklin 673 (-333)	Hancock 791 (+211)	Hancock 703 (-88)
Hancock 972	Waldo 675 (-638)	Lincoln 837 (+116)	Penobscot 870 (+8)
Kennebec 974	Lincoln 721 (+7)	Penobscot 862 (+63)	Kennebec 872 (-192)
Franklin 1006	Kennebec 785 (-189)	Sagadahoc 935 (+33)	Lincoln 1054 (+217)
Washington 1124	Penobscot 799 (-172)	Kennebec 1064 (+279)	Washington 1081 (-247)
Waldo 1313	Sagadahoc 902 (-600)	Franklin 1203 (+530)	Franklin 1147 (-56)
Aroostook 1343	Aroostook 1073 (-270)	Oxford 1223 (-108)	Sagadahoc 1166 (+231)
Sagadahoc 1502	Washington 1140 (+16)	Aroostook 1323 (+250)	Aroostook 1176 (-147)
Oxford 1594	Somerset 1140 (-978)	Washington 1328 (+188)	Oxford 1186 (-37)
Piscataquis 1878	Oxford 1331 (-263)	Somerset 1722 (+582)	Somerset 1621 (-101)
Somerset 2096	Piscataquis 1662 (-216)	Piscataquis 1891 (+229)	Piscataquis 1652 (-239)
AVERAGE 1084	AVERAGE 835	AVERAGE 988	AVERAGE 938
MEDIAN 990	MEDIAN 753	MEDIAN 899	MEDIAN 963
June 1, 1996-May 31, 1997	June 1, 1997-May 31, 1998	June 1, 1998-May 31, 1999	June 1, 1999 -May 31, 2000
Cumberland 356 (-38)	Cumberland 345 (-11)	Cumberland 386 (+41)	Cumberland 451 (+65)
York 394 (-2)	Knox 427 (-3)	Knox 456 (+29)	Knox 494 (+38)
Knox 430 (-100)	York 465 (+71)	York 462 (-3)	Waldo 591 (-6)
Androscoggin 482 (-48)	Androscoggin 512 (+30)	Hancock 572 (+28)	Hancock 643 (+71)
Hancock 500 (-203)	Hancock 544 (+44)	Waldo 597 (+29)	York 696 (+234)
Waldo 536 (-101)	Waldo 568 (+32)	Androscoggin 610 (+98)	Androscoggin 699 (+89)
Kennebec 802 (-70)	Kennebec 826 (+24)	Kennebec 625 (-201)	Oxford 702 (-300)
Franklin 895 (-252)	Penobscot 831 (-72)	Sagadahoc 770 (-110)	Sagadahoc 852 (+82)
Lincoln 900 (-154)	Sagadahoc 880 (-417)	Franklin 941 (-58)	Lincoln 950 (-125)
Penobscot 903 (+33)	Franklin 999 (+104)	Oxford 1002 (-237)	Kennebec 969 (+344)
Oxford 1079 (-107)	Somerset 1048 (-119)	Penobscot 1049 (+218)	Penobscot 1050 (+1)
Somerset 1167 (-454)	Lincoln 1065 (+165)	Lincoln 1075 (+10)	Franklin 1191 (+250)
Aroostook 1216 (+40)	Oxford 1239 (+160)	Somerset 1103 (+55)	Aroostook 1271 (+3)
Sagadahoc 1297 (+131)	Aroostook 1426 (+210)	Aroostook 1269 (-158)	Washington 1794 (+104)
Washington 1314 (+233)	Washington 1508 (+194)	Washington 1690 (+182)	Piscataquis 1987 (+207)
Piscataquis 1755 (+103)	Piscataquis 1658 (-97)	Piscataquis 1780 (+122)	Somerset 2942 (+1839)
AVERAGE 876	AVERAGE 896	AVERAGE 899	AVERAGE 1080
MEDIAN 897	MEDIAN 855	MEDIAN 855	MEDIAN 901

MFO HHI TABLE			
June 1, 2000-May 31, 2001	June 1, 2001-May 31, 2002	June 1, 2002-May 31, 2003	June 1, 2003-May 31, 2004
Cumberland 520(+69)	Cumberland 387 (-133)	Cumberland 407 (+20)	Waldo 534 (+109)
York 524 (-172)	York 504 (-20)	Waldo 425 (-85)	Cumberland 535(+128)
Knox 612 (+118)	Waldo 510 (-134)	Hancock 524 (-130)	Hancock 569 (+45)
Hancock 636 (-7)	Knox 537 (-75)	York 563 (+59)	York 577 (+14)
Waldo 644 (+53)	Hancock 654 (+18)	Androscoggin 683 (-71)	Androscoggin 792 (+109)
Androscoggin 691 (-8)	Androscoggin 754 (+63)	Knox 688 (+151)	Kennebec 830 (-45)
Kennebec 777 (-192)	Sagadahoc 794 (-767)	Kennebec 875 (+141)	Penobscot 937 (-722)
Franklin 1036 (-155)	Kennebec 874 (+97)	Sagadahoc 882 (+88)	Knox 950 (+262)
Somerset 1084 (-1858)	Lincoln 1085 (-273)	Lincoln 1039 (-46)	Washington 1252 (+26)
Lincoln 1358 (+408)	Franklin 1219 (-183)	Somerset 1163 (-120)	Somerset 1267 (+104)
Aroostook 1521 (+250)	Somerset 1283 (+199)	Franklin 1185 (-34)	Sagadahoc 1279 (+397)
Oxford 1549 (+847)	Washington 1360 (-338)	Washington 1226 (-134)	Lincoln 1361 (+322)
Sagadahoc 1561 (+709)	Aroostook 1462 (-59)	Aroostook 1387 (-75)	Franklin 1474 (+289)
Washington 1698 (-96)	Oxford 1595 (+56)	Piscataquis 1620 (-183)	Piscataquis 1594 (-26)
Penobscot 2061 (+1011)	Piscataquis 1803 (-286)	Penobscot 1659 (-486)	Oxford 1630 (-154)
Piscataquis 2089 (+102)	Penobscot 2145 (+84)	Oxford 1784 (+189)	Aroostook 1716 (+329)
AVERAGE 1148	AVERAGE 1060	AVERAGE 1006	AVERAGE 1081
MEDIAN 1060	MEDIAN 979	MEDIAN 960	MEDIAN 1101
June 1, 2004-May 31, 2005			
Cumberland 399 (-136)			
York 510 (-67)			
Hancock 557 (-12)			
Waldo 565 (+31)			
Kennebec 752 (-78)			
Knox 885 (-65)			
Penobscot 887 (-50)			
Androscoggin 943 (+151)			
Somerset 1093 (-174)			
Franklin 1107 (-367)			
Aroostook 1173 (+37)			
Sagadahoc 1200 (-79)			
Lincoln 1235 (-126)			
Washington 1280 (+28)			
Oxford 1700 (+70)			
Piscataquis 1744 (+150)			
AVERAGE 1001			
MEDIAN 1018			

HHO HHI TABLE			
June 1, 2000-May 31, 2001	June 1, 2001-May 31, 2002	June 1, 2002-May 31, 2003	June 1, 2003-May 31, 2004
Befast 720 (-157)	Augusta 740 (-127)	Augusta 1009 (+269)	Portland 662 (-490)
Portland 744 (-140)	Portland 884 (-140)	Lewiston/Auburn 1060 (-388)	Augusta 887 (-122)
Augusta 867 (-24)	Bangor 1031 (-154)	Portland 1152 (+268)	Lewiston 1102 (+42)
Bangor 1185 (+44)	Rockland 1196 (-1699)	Belfast 1284 (+51)	Bangor 1218 (-1091)
Skowhegan 1362 (-134)	Ellsworth 1231 (-289)	Rockland 1402 (+206)	Rockland 1343 (-59)
Lewiston/Auburn 1509 (+46)	Belfast 1233 (+513)	Skowhegan 1426 (+57)	Ellsworth 1359 (-380)
Ellsworth 1520 (-153)	Skowhegan 1369 (+7)	Lincoln 1485 (-1666)	Gray 1539 (-11)
Waterville 1797 (-21)	Lewiston/Auburn 1448 (-61)	Gray 1550 (-31)	Waterville 1549 (-7)
Woodland/Calais 1928 (-848)	Gray 1581 (-1616)	Waterville 1556 (-237)	Skowhegan 1555 (-129)
Farmington 1945 (-901)	Waterville 1793 (-4)	Ellsworth 1739 (+508)	Lincoln 1796 (+311)
Houlton 1963 (-156)	Houlton 1803 (-160)	Old Town 1901 (-34)	Old Town 1866 (-35)
Old Town 2105 (+1981)	Biddeford/Saco 1845 (-3029)	Biddeford/Saco 1946 (+101)	Biddeford/Saco 1895 (-51)
Dover/Foxcroft 2211 (-257)	Woodland/Calais 1885 (-43)	Houlton 1995 (+192)	Belfast 1942 (-658)
Lincoln 2261 (-1999)	Farmington 1906 (+15)	Bridgton 2068 (-27)	Farmington 1977 (-1140)
Jackman/Greenville 2361 (-307)	Old Town 1935 (-170)	Farmington 2091 (+184)	Rumford/Rangeley 2031 (-303)
Midcoast 2668 (+1013)	Dover-Foxcroft 2130 (-81)	Dover-Foxcroft 2209 (+79)	Midcoast 2081 (-413)
Bridgton 2836 (+367)	Bath/Brunswick 2216 (-908)	Bangor 2309 (+1278)	Limerick 2184 (-294)
Rockland 2895 (+1629)	Bridgton 2295 (-541)	Sanford 2332 (-1771)	Ashland/Presque Isle 2294 (-63)
Bethel 2981 (-1043)	Rumford/Rangeley 2300 (-711)	Rumford/Rangely 2334 (+34)	Pittsfield/Newport 2480 (+52)
Rumford/Rangeley 3011 (-306)	Ashland/Presque Isle 2567 (-720)	Bath/Brunswick 2340 (+124)	Dover-Foxcroft 2560 (+351)
Mt. Desert 3083 (+179)	Midcoast 2676 (+8)	Ashland/Presque Isle 2357 (-210)	Bath/Brunswick 2569 (+229)
St. John Valley 3090 (+50)	Bethel 2747 (-234)	Cherryfield/Machias 2391 (-393)	Bridgton 2662 (+594)
Bath/Brunswick 3124 (+376)	Cherryfield/Machias 2784 (-843)	Pittsfield/Newport 2428 (-495)	Houlton 2838 (+843)
Gray 3197 (+1412)	Pittsfield/Newport 2923 (-359)	Limerick 2478 (-1097)	Mt. Desert 2868 (-207)
South Paris 3251 (-600)	Lincoln 3151 (+890)	Midcoast 2494 (-182)	Bethel 3318 (+498)
Pittsfield/Newport 3282 (+447)	Jay 3185 (-238)	Bethel 2820 (+73)	Cherryfield/Machias 3720 (+1329)
Ashland/Presque Isle 3287 (+940)	Mt. Desert 3380 (+297)	Mt. Desert 3075 (-305)	St. John Valley 3774 (+458)
Jay 3423 (-628)	Limerick 3575 (-89)	Woodland/Calais 3264 (+1379)	Sanford 3800 (+1468)
Limerick 3486 (+1143)	St. John Valley 3794 (+704)	Jay 3285 (+100)	Woodland/Calais 4071 (+807)
Cherryfield/Machias 3627 (+53)	Jackman/Greenville 3845 (+1484)	St. John Valley 3316 (-478)	York 4666 (-2988)
Sanford 4202 (+286)	South Paris 3994 (+743)	Jackman/Greenville 5335 (+1490)	Jay 4978 (+1633)
Biddeford/Saco 4874 (+2811)	Sanford 4103 (-99)	South Paris 5755 (+1761)	Jackman/Greenville 5421 (+86)
York 8315 (+5747)	York 5640 (-2675)	York 7654 (+2014)	South Paris 5424 (-331)
AVERAGE 2700	AVERAGE 2399	AVERAGE 2480	AVERAGE 2558
MEDIAN 2836	MEDIAN 2216	MEDIAN 2309	MEDIAN 2184
June 1, 2004-May 31, 2005			
Portland 865 (+203)			
Augusta 1099 (+212)			
Lewiston 1101 (-1)			
Rockland 1250 (-93)			
Ellsworth 1381 (+22)			
Skowhegan 1389 (-166)			
Waterville 1477 (-72)			
Bangor 1594 (+376)			
Bridgton 1684 (-984)			
Lincoln 1754 (-42)			
Old Town 1925 (+59)			
Midcoast 1950 (-131)			
Rumford/Rangeley 2051 (+20)			
Ashland/Presque Isle 2264 (-30)			
Gray 2268 (+729)			
Biddeford 2322 (+427)			
Limerick 2334 (+150)			
Farmington 2452 (+475)			
Pittsfield/Newport 2490 (+10)			
Belfast 2584 (+642)			
York 2683 (-1983)			
Jay 2728 (-2250)			
Bath/Brunswick 2819 (+250)			
Houlton 2835 (-3)			
Bethel 2866 (-452)			
Mt. Desert 2979 (+111)			
Dover-Foxcroft 3173 (+613)			
St. John Valley 3774 (no change)			
Jackman/Greenville 3982 (-1439)			
Cherryfield/Machias 4199 (+479)			
Woodland/Calais 4441 (+370)			
Sanford 5609 (+1809)			
South Paris 5618 (+194)			
AVERAGE 2543			
MEDIAN 2334			

HHO HHI TABLE			
June 1, 1992-May 31, 1993	June 1, 1993-May 31, 1994	June 1, 1994-May 31, 1995	June 1, 1995-May 31, 1996
Augusta 922	Augusta 714 (-208)	Augusta 696 (-18)	Augusta 775 (+79)
Belfast 984	Belfast 899 (-85)	Portland 1020 (-148)	Portland 776 (-244)
Portland 1097	Rockland 1069 (-252)	Rockland 1061 (-8)	Biddeford/Saco 1025 (-532)
Gray 1281	Portland 1168 (+71)	Gray 1108 (-464)	Rockland 1125 (+64)
Lincoln 1316	Skowhegan 1317 (-301)	Belfast 1126 (+227)	Gray 1172 (+64)
Rockland 1321	Biddeford/Saco 1323 (-201)	Skowhegan 1187 (-130)	Belfast 1184 (+58)
Biddeford/Saco 1524	Bangor 1342 (-291)	Lewiston/Auburn 1448 (-69)	Skowhegan 1244 (+57)
Waterville 1548	Waterville 1370 (-178)	Ashland/Presque Isle 1531 (-26)	Waterville 1539 (-71)
Lewiston/Auburn 1613	Lewiston/Auburn 1517 (-96)	Bangor 1550 (+208)	Bangor 1560 (+10)
Skowhegan 1618	Ashland/Presque Isle 1557 (-368)	Biddeford/Saco 1557 (+234)	Woodland/Calais 1631 (-701)
Bangor 1633	Gray 1572 (+291)	Waterville 1610 (+240)	Old Town 1687 (+56)
Old Town 1709	Pittsfield/Newport 1693 (-403)	Old Town 1631 (-366)	Farmington 1772 (-240)
Bath/Brunswick 1921	Lincoln 1940 (+624)	Houlton 1969 (-113)	Lewiston/Auburn 1789 (+341)
Ashland/Presque Isle 1925	Rumford/Rangeley 1989 (+63)	Pittsfield/Newport 1971 (+278)	Pittsfield/Newport 1822 (-149)
Rumford/Rangeley 1926	Old Town 1997 (+288)	Ellsworth 2001 (-58)	Dover-Foxcroft 1886 (-666)
Houlton 1973	Ellsworth 2059 (-108)	Farmington 2012 (-346)	Ashland/Presque Isle 1962 (+431)
Dover-Foxcroft 2096	Houlton 2082 (+109)	Rumford/Rangeley 2047 (+58)	Ellsworth 1973 (-28)
Pittsfield/Newport 2096	Bath/Brunswick 2169 (+248)	Cherryfield/Machias 2066 (-486)	Cherryfield/Machias 1975 (-91)
Ellsworth 2167	Dover-Foxcroft 2191 (+95)	Bath/Brunswick 2081 (-88)	Houlton 2051 (+82)
Cherryfield/Machias 2228	Woodland/Calais 2237 (-1129)	Woodland/Calais 2332 (+95)	Jackman/Greenville 2134 (-1139)
Farmington 2257	Farmington 2358 (+101)	St. John Valley 2400 (-139)	York 2146 (estimate) (-4234)
Bridgton 2400 (estimate)	St. John Valley 2539 (+1)	Bridgton 2443 (estimate) (-246)	Limerick 2273 (-674)
St. John Valley 2538	Cherryfield/Machias 2552(+324)	Lincoln 2469 (+529)	St. John Valley 2513 (+113)
Mt. Desert 2762	Bridgton 2689 (estimate) (+289)	Dover-Foxcroft 2552 (+361)	Jay 2789 (-673)
Limerick 2992	Limerick 3085 (+93)	Limerick 2947 (-138)	Bath/Brunswick 2846 (+765)
Jay 3211	Jay 3368 (+157)	Jackman/Greenville 3273 (-261)	Rumford/Rangeley 2889 (+842)
Woodland/Calais 3366	Jackman/Greenville 3534 (-1997)	South Paris 3361 (-797)	Mt. Desert 3352 (-742)
Midcoast 3680	Mt. Desert 4084 (+1322)	Jay 3462 (+94)	Lincoln 3394 (+925)
South Paris 3706	South Paris 4158 (+452)	Mt. Desert 4094 (+10)	Midcoast 3627 (-1921)
Sanford 4000 (estimate)	Midcoast 4190 (+510)	Sanford 4576 (estimate) (+184)	South Paris 3903 (+542)
Jackman/Greenville 5531	Sanford 4392 (estimate) (+392)	Bethel 5000 (+59)	Sanford 4313 (estimate) (-263)
Bethel 5634	Bethel 4941 (-693)	Midcoast 5548 (+1358)	Bethel (no change)
York 8000 (estimate)	York 6855 (estimate) (-1145)	York 6380 (estimate) (-475)	Bridgton (estimate) (+2792)
AVERAGE 2490	AVERAGE 2387	AVERAGE 2417	AVERAGE 2284
MEDIAN 1973	MEDIAN 2059	MEDIAN 2047	MEDIAN 1973
June 1, 1996-May 31, 1997	June 1, 1997-May 31, 1998	June 1, 1998-May 31, 1999	June 1, 1999-May 31, 2000
Augusta 777 (+2)	Augusta 755 (-22)	Skowhegan 577 (-614)	Belfast 877 (-68)
Portland 972 (+196)	Portland 775 (-197)	Portland 714 (-61)	Portland 884 (+170)
Belfast 1052 (-132)	Bangor 958 (-146)	Belfast 945 (-1860)	Augusta 891 (-598)
Bangor 1104 (-456)	Skowhegan 1191 (-35)	Bangor 1079 (+121)	Woodland/Calais 1080 (-513)
Rockland 1111 (-24)	Rockland 1248 (+137)	Rumford/Rangeley 1250 (-2026)	Bangor 1141 (+62)
Skowhegan 1226 (-18)	Ellsworth 1350 (-520)	Rockland 1263 (+15)	Rockland 1266 (+3)
Gray 1398 (+226)	Lewiston/Auburn 1481 (-85)	Old Town 1377 (+355)	Lewiston/Auburn 1463 (-685)
Biddeford/Saco 1418 (+393)	Gray 1493 (+95)	Augusta 1489 (+734)	Skowhegan 1496 (+919)
Lewiston/Auburn 1566 (-223)	Waterville 1569 (-407)	Woodland/Calais 1593 (-358)	Midcoast 1655 (-969)
Old Town 1605 (-82)	Bath/Brunswick 1731 (+62)	Ellsworth 1605 (+255)	Ellsworth 1673 (+68)
Woodland/Calais 1646 (+15)	Old Town 1732 (+127)	Gray 1641 (+148)	Waterville 1776 (-61)
Bath/Brunswick 1669 (-1177)	Houlton 1785 (-223)	Biddeford/Saco 1802 (-697)	Gray 1785 (+144)
Cherryfield/Machias 1692 (-283)	Woodland/Calais 1951 (+305)	Ashland/Presque Isle 1824 (355)	Old Town 1981 (+604)
Ellsworth 1870 (-103)	Pittsfield/Newport 2018 (-53)	Waterville 1837 (+268)	Biddeford/Saco 2063 (+261)
Farmington 1877 (+105)	Lincoln 2164 (-1509)	Houlton 1955 (+170)	Houlton 2092 (+137)
Waterville 1976 (+437)	Ashland/Presque Isle 2179 (+51)	Dover-Foxcroft 1969 (-340)	Limerick 2343 (+364)
Houlton 2008 (-43)	Bridgton 2199 (-355)	Limerick 1970 (-954)	Ashland/Presque Isle 2347 (+523)
Jackman/Greenville 2058 (-76)	Mid Coast 2253 (+163)	Bath/Brunswick 2130 (+399)	Dover-Foxcroft 2468 (+499)
Pittsfield/Newport 2071 (+249)	Farmington 2290 (+413)	Lewiston/Auburn 2148 (+667)	Bridgton 2469 (+252)
Midcoast 2090 (-1537)	Dover-Foxcroft 2309 (+122)	Bridgton 2217 (+18)	York 2568 (-184)
Ashland/Presque Isle 2128 (+166)	Cherryfield/Machias 2311 (+619)	Farmington 2221 (-69)	Jackman/Greenville 2668 (-326)
Dover-Foxcroft 2187 (+301)	Mt. Desert 2478 (-290)	Jay 2319 (-430)	Bath/Brunswick 2748 (+618)
Bridgton 2554 (estimate) (-2681)	Biddeford/Saco 2499 (+1081)	Cherryfield/Machias 2525 (+214)	Pittsfield/Newport 2835 (-6)
Rumford/Rangeley 2690 (-199)	St. John Valley 2659 (-232)	Mid Coast 2624 (+371)	Farmington 2846 (+625)
Mt. Desert 2768 (-584)	Jay 2749 (-802)	York 2752 (-4559)	Mt. Desert 2904 (+115)
Limerick 2776 (+503)	Belfast 2805 (+1753)	Mt. Desert 2789 (+311)	St. John Valley 3040 (+247)
York 2842 (estimate) (+696)	Limerick 2933 (+157)	St. John Valley 2793 (+134)	Rumford/Rangeley 3317 (+2064)
St. John Valley 2891 (+378)	Bethel 3185 (-853)	Pittsfield/Newport 2841 (+823)	Cherryfield/Machias 3574 (+1049)
Jay 3551 (+762)	Rumford/Rangeley 3276 (+586)	Bethel 3308 (+123)	South Paris 3851 (-319)
Lincoln 3673 (+279)	South Paris 3847 (-142)	Sanford 3715 (-518)	Sanford 3916 (-201)
Sanford 3829 (estimate) (-484)	Sanford 4233 (+404)	Lincoln 4036 (+1872)	Bethel 4024 (+716)
South Paris 3989 (+86)	Jackman/Greenville 4786 (+2728)	South Paris 4170 (+323)	Jay 4051 (+1732)
Bethel 4038 (-962)	York 7311 (estimate) (+4469)	Jackman/Greenville 5694 (+908)	Lincoln 4260 (+224)
AVERAGE 2155	AVERAGE 2378	AVERAGE 2217	AVERAGE 2374
MEDIAN 2008	MEDIAN 2199	MEDIAN 1979	MEDIAN 2347

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	6/1/02-5/31/03	6/1/03-5/31/04	6/1/04-5/31/05
Androscoggin	Competitors	52	64 (+12)	65 (+1)	65 (no change)	70 (+5)	63 (-7)	68 (+5)	64 (-4)	70 (+6)	64 (-6)	73 (+9)	68 (-5)	74 (+6)
	Concentration	482	511 (+29)	547 (+36)	530 (-17)	482 (-48)	512 (+30)	610 (+98)	699 (+89)	691 (-8)	754 (+63)	683 (-71)	792 (+109)	943 (+151)
Aroostook	Competitors	90	90 (no change)	87 (-3)	104 (+17)	108 (+4)	94 (-14)	92 (-2)	89 (+3)	84 (-5)	89 (+5)	85 (-4)	82 (+3)	81 (-1)
	Concentration	1343	1073 (-270)	1323 (+250)	1176 (-147)	1216 (+40)	1426 (+210)	1268 (-158)	1271 (+3)	1521 (+250)	1462 (-59)	1387 (-75)	1716 (+329)	1173 (-37)
Cumberland	Competitors	128	156 (+28)	147 (-9)	202 (+55)	193 (-9)	220 (+27)	247 (+27)	181 (-66)	163 (-18)	148 (-15)	161 (+13)	136 (-25)	171 (+35)
	Concentration	415	416 (+1)	475 (+59)	394 (-81)	356 (-38)	345 (-11)	386 (+41)	451 (+65)	520 (+69)	387 (-133)	407 (+20)	535 (+128)	399 (-136)
Franklin	Competitors	35	40 (+5)	38 (-2)	42 (+4)	46 (+4)	47 (+1)	43 (-4)	40 (-3)	40 (no change)	46 (+6)	43 (-3)	45 (+2)	46 (+1)
	Concentration	1006	673 (-333)	1203 (+530)	1147 (-56)	895 (-252)	999 (+104)	941 (-58)	1191 (+250)	1036 (-155)	1219 (-183)	1185 (-34)	1474 (+289)	1107 (-367)
Hancock	Competitors	53	72 (+19)	65 (-7)	73 (+8)	74 (-1)	72 (-2)	75 (+3)	78 (+3)	62 (-16)	75 (+13)	71 (-4)	78 (+7)	74 (-4)
	Concentration	972	580 (-392)	791 (+211)	703 (-88)	500 (-203)	544 (+44)	572 (+28)	643 (+71)	636 (-7)	654 (+18)	524 (-130)	569 (+45)	557 (-12)
Kennebec	Competitors	70	81 (+11)	92 (+11)	93 (+1)	91 (-2)	92 (+1)	92 (no change)	78 (-14)	86 (+8)	87 (+1)	93 (+6)	92 (-1)	93 (+1)
	Concentration	974	785 (-189)	1064 (+279)	872 (-192)	802 (-70)	826 (+24)	625 (-201)	969 (+344)	777 (-192)	734 (-43)	875 (+141)	830 (-45)	752 (-78)
Knox	Competitors	59	63 (+4)	71 (+8)	85 (+14)	86 (+1)	84 (-2)	77 (-7)	80 (+3)	68 (-12)	68 (no change)	64 (-4)	54 (-10)	75 (+21)
	Concentration	510	503 (-7)	528 (+25)	530 (+2)	430 (-100)	427 (-3)	456 (+29)	494 (+38)	612 (+118)	537 (-75)	688 (+151)	950 (+262)	885 (-65)
Lincoln	Competitors	25	35 (+10)	34 (-1)	37 (+3)	38 (+1)	36 (-2)	39 (+3)	38 (-1)	39 (+1)	44 (+5)	48 (+4)	43 (-5)	40 (-3)
	Concentration	714	721 (+7)	837 (+116)	1054 (+217)	900 (-154)	1065 (+165)	1075 (+10)	950 (-125)	1358 (+408)	1085 (-273)	1039 (-46)	1361 (+322)	1235 (-126)
Oxford	Competitors	31	44 (+13)	43 (-1)	49 (+6)	52 (+3)	54 (+2)	56 (+2)	49 (-7)	57 (+8)	47 (-10)	44 (-3)	42 (-2)	46 (+4)
	Concentration	1594	1331 (-263)	1223 (-108)	1186 (-37)	1079 (-107)	1239 (+160)	1002 (-237)	702 (-300)	1549 (+847)	1595 (+56)	1784 (+189)	1630 (-154)	1700 (+70)
Penobscot	Competitors	137	148 (+11)	143 (-5)	156 (+13)	156 (no)	146 (-10)	141 (-5)	129 (-12)	134 (+5)	150 (-16)	132 (-18)	131 (-1)	145 (+14)
	Concentration	971	799 (-172)	862 (+3)	870 (+8)	903 (+33)	831 (-72)	1049 (+218)	1050 (+1)	2061 (+1011)	2145 (+84)	1659 (-486)	937 (-722)	887 (-50)
Piscataquis	Competitors	25	38 (+13)	36 (-2)	32 (-4)	25 (-7)	23 (-2)	29 (+6)	31 (+2)	29 (-2)	26 (-3)	31 (-5)	33 (+2)	29 (-4)
	Concentration	1878	1662 (-216)	1891 (+229)	1652 (-239)	1755 (+103)	1658 (-97)	1780 (+122)	1987 (+207)	2089 (+102)	1803 (-286)	1620 (-183)	1594 (-26)	1744 (+150)

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	6/1/02-5/31/03	6/1/03-5/31/04	6/1/04-5/31/05
Sagadahoc	Competitors	22	33 (+11)	28 (-5)	31 (+3)	36 (+5)	38 (+2)	38 (no change)	34 (-4)	34 (no change)	38 (+4)	35 (-3)	32 (-3)	30 (-2)
	HHH	1502	902 (-600)	935 (+33)	1166 (+231)	1297 (+131)	880 (-417)	770 (-110)	852 (+82)	1561 (+709)	794 (-767)	882 (+88)	1279 (+397)	1200 (-79)
	Concentration	High	Moderate	Moderate	High	High	Moderate	Moderate	Moderate	High	Moderate	Moderate	High	High
Somerset	Competitors	58	68 (+10)	68 (no change)	69 (+1)	62 (-7)	76 (+14)	77 (+1)	64 (-13)	68 (+4)	67 (-1)	66 (-1)	65 (-1)	68 (+3)
	HHH	2118	1140 (-978)	1722 (+582)	1621 (-101)	1167 (-454)	1048 (-119)	1103 (+55)	2942 (+1839)	1084 (-1858)	1283 (+199)	1163 (-120)	1267 (+104)	1093 (-174)
	Concentration	Extreme	High	High	High	High	High	High	Extreme	High	High	High	High	High
Waldo	Competitors	34	48 (+14)	52 (+4)	52 (no change)	57 (+5)	63 (+6)	61 (-2)	60 (-1)	47 (-13)	52 (+5)	53 (+1)	60 (+7)	56 (-1)
	HHH	1313	675 (-638)	735 (+60)	637 (-98)	536 (-101)	568 (+32)	597 (+29)	591 (-6)	644 (+53)	510 (-134)	425 (-85)	534 (+109)	565 (+31)
	Concentration	High	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Moderate	Unconcentrated	Unconcentrated	High	Moderate
Washington	Competitors	48	58 (+10)	53 (-5)	65 (+12)	54 (-11)	53 (-1)	48 (-5)	52 (-4)	39 (-13)	54 (+15)	56 (+2)	54 (-2)	47 (-7)
	HHH	1124	1140 (+16)	1328 (+188)	1081 (-247)	1314 (+233)	1508 (+194)	1690 (+182)	1794 (+104)	1698 (-96)	1360 (-338)	1226 (-134)	1252 (+26)	1280 (+28)
	Concentration	High	High	High	High	High	High	High	High	High	High	High	High	High
York	Competitors	92	105 (+13)	134 (+29)	126 (-8)	137 (+11)	114 (-23)	127 (+13)	121 (-6)	113 (-8)	115 (+2)	112 (-3)	110 (+2)	120 (+10)
	HHH	452	445 (-7)	341 (-104)	396 (+55)	394 (-2)	465 (+71)	462 (-3)	696 (+234)	524 (-172)	504 (-20)	563 (+59)	577 (+14)	510 (-67)
	Concentration	Unconcentrated	Unconcentrated	Unconcentrated	Unconcentrated	Unconcentrated	Unconcentrated	Unconcentrated	Moderate	Moderate	Moderate	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	6/1/02-5/31/03	6/1/03-5/31/04	6/1/04-5/31/05
01. St. John Valley	Competitors HHH 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	5 (no change) 3316 (-478) Extreme	5 (no change) 3774 (+458) Extreme	5 (no change) 3774 (no) Extreme
02. Ashland / Presque Isle	Competitors HHH 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	10 (-1) 2357 (-210) High	11 (+1) 2294 (-63) High	11 (no change) 2264 (-30) High
03. Houlton	Competitors HHH 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	6 (-2) 1995 (+192) High	6 (no change) 2838 (+843) Extreme	6 (no change) 2835 (-3) Extreme
04. Lincoln	Competitors HHH 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	11 (-2) 1485 (-1666) Moderate	12 (+1) 1796 (+311) Moderate	11 (-1) 1754 (-42) Moderate
05. Woodland / Calais	Competitors HHH 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	11 (-1) 3264 (+1379) Extreme	11 (no change) 4071 (+807) Extreme	10 (-1) 4441 (+370) Extreme
06. Cherryfield / Machias	Competitors HHH 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	11 (-2) 2391 (-393) High	11 (no change) 3720 (+1329) Extreme	10 (-1) 4199 (-479) Extreme
07. Old Town	Competitors HHH Concentration	10 1709 Moderate	10 (no change) 1997 (+288) High	11 (+1) 1631 (-166) 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	11 (-2) 1901 (-34) High	11 (no change) 1866 (-35) High	11 (no change) 1925 (+59) High
08. Ellsworth	Competitors HHH 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	19 (-2) 1739 (+508) Moderate	22 (+3) 1359 (-380) Moderate	24 (+2) 1381 (+22) Moderate
09. Bangor	Competitors HHH 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	33 (-4) 2309 (+1278) High	29 (-4) 1218 (-1091) Moderate	32 (+3) 1594 (+376) Moderate
10. Dover-Foxcroft	Competitors HHH 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	12 (-1) 2209 (+79) High	11 (-1) 2560 (+351) Extreme	11 (no change) 3173 (+613) Extreme
11. Pittsfield / Newport	Competitors HHH 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	9 (no change) 2428 (-495) High	11 (+2) 2480 (+52) High	10 (-1) 2490 (+10) High

HIO 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	6/1/02-5/31/03	6/1/03-5/31/04	6/1/04-5/31/05
12. Belfast	Competitors HHH 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	16 (-2) 1284 (+51) Moderate	18 (+2) 1942 (-658) High	22 (+4) 2584 (+642) Extreme
13. Rockland	Competitors HHH 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	21 (no change) 1402 (+206) Moderate	27 (-6) 1343 (-59) Moderate	28 (+1) 1250 (-93) Moderate
14. Midenast	Competitors HHH 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	9 (+1) 2494 (-182) High	11 (-2) 2081 (-413) High	12 (+1) 1950 (-131) High
15. Augusta	Competitors HHH Concentration	25 922 Unconcentrated	30 (+5) 714 (-208) Unconcentrated	30 (no change) 696 (-13) 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 (-1) 740 (-127) Unconcentrated	28 (-3) 1009 (+269) Moderate	28 (no change) 887 (-122) Unconcentrated	30 (+2) 1099 (+212) Moderate
16. Waterville	Competitors HHH 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	14 (no change) 1556 (-237) Moderate	14 (no change) 1549 (-7) Moderate	16 (+2) 1477 (-72) Moderate
17. Skowhegan	Competitors HHH 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	17 (-1) 1426 (-57) Moderate	16 (-1) 1555 (-129) Moderate	17 (+1) 1389 (-166) Moderate
18. Jackman / Greenville	Competitors HHH 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	4 (no change) 5335 (+1490) Extreme	4 (no change) 5421 (+86) Extreme	6 (+2) 3982 (-1439) Extreme
19. Farmington	Competitors HHH 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	12 (-2) 2091 (+184) High	13 (-1) 1977 (-114) High	11 (-2) 2452 (+475) High
20. Jay	Competitors HHH 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	6 (no change) 3285 (+100) Extreme	3 (-3) 4978 (+1693) Extreme	5 (+2) 2728 (-2250) Extreme
21. Lewiston / Auburn	Competitors HHH 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	23 (+4) 1060 (-388) Moderate	22 (-1) 1102 (+42) Moderate	23 (+1) 1101 (-1) Moderate
22. Bath / Brunswick	Competitors HHH 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	10 (no change) 2340 (+124) High	10 (no change) 2569 (+229) Extreme	9 (-1) 2819 (+250) Extreme

HIO 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	6/1-02-5/31-03	6/1-03-5/31-04	6/1-04-5/31-05
23. Portland	Competitors HIII	32	38 (+6)	35 (-3)	62 (+27)	51 (-11)	76 (+25)	72 (-4)	77 (+5)	69 (-8)	52 (-17)	49 (-3)	49 (no change)	47 (-2)
	Concentration	1097	1168 (+71)	1020 (-148)	776 (-244)	972 (-196)	775 (-197)	714 (-61)	884 (+170)	744 (-140)	884 (-140)	1152 (+268)	662 (-190)	865 (+203)
24. Gray	Competitors HIII	19	15 (-4)	17 (+2)	14 (-3)	12 (-2)	10 (-2)	15 (+5)	15 (no change)	13 (-2)	14 (+1)	13 (-1)	14 (+1)	15 (-1)
	Concentration	1281	1572 (+291)	1108 (-164)	1172 (+64)	1398 (+226)	1493 (+95)	1641 (+148)	1785 (+144)	3197 (+1412)	1581 (-1616)	1550 (-31)	1539 (-11)	2268 (+729)
25. South Paris	Competitors HIII	7	7 (no change)	8 (+1)	6 (-2)	7 (+1)	6 (-1)	5 (-1)	5 (no change)	5 (no change)	4 (-1)	5 (+1)	5 (no change)	5 (no change)
	Concentration	3706	4158 (+452)	3361 (-797)	3903 (+542)	3989 (+86)	3847 (-142)	4170 (-323)	3851 (-319)	3251 (-600)	3994 (+743)	5755 (+1761)	5424 (-331)	5618 (+194)
26. Rumford/ Rangeley	Competitors HIII	7	8 (+1)	8 (no change)	6 (-2)	6 (no change)	5 (-1)	6 (+1)	8 (+2)	7 (-1)	7 (no change)	10 (-3)	9 (-1)	10 (+1)
	Concentration	1926	1989 (+63)	2047 (+58)	2889 (+842)	2690 (-199)	3276 (+586)	1250 (-2026)	3317 (-2064)	3011 (-306)	2300 (-711)	2334 (+34)	2031 (-303)	2051 (+20)
27. Bethel	Competitors HIII	3	5 (+2)	4 (-1)	3 (-1)	5 (+2)	5 (no change)	4 (-1)	3 (-1)	5 (+2)	5 (no change)	5 (no change)	5 (no change)	6 (+1)
	Concentration	5634	4941 (-693)	5000 (+59)	5000 (no)	4038 (-962)	3185 (-853)	3308 (+123)	4024 (+716)	2981 (-1043)	2747 (-234)	2820 (+73)	3318 (+498)	2866 (-452)
28. Bridgton	Competitors HIII	7	7 (no change)	8 (+1)	7 (-1)	8 (+1)	8 (no change)	9 (+1)	7 (-2)	7 (no change)	11 (+4)	9 (-2)	8 (-1)	9 (+1)
	Concentration	2400 (estimate)	2689 (estimate)	2443 (estimate)	5235 (estimate)	2554 (estimate)	2199 (-355)	2217 (+18)	2469 (+252)	2836 (+367)	2295 (-541)	2068 (-27)	2662 (+594)	1684 (-984)
29. Limerick	Competitors HIII	7	7 (no change)	7 (no change)	7 (no change)	6 (-1)	4 (-2)	6 (+2)	8 (+2)	6 (-2)	8 (+2)	7 (-1)	6 (-1)	7 (+1)
	Concentration	2992	3085 (+93)	2947 (-138)	2273 (-674)	2776 (+503)	2933 (+157)	1979 (-954)	2343 (+364)	3486 (+1143)	3575 (-89)	2478 (-1097)	2184 (-294)	2334 (+150)
30. Sanford	Competitors HIII	5	6 (+1)	5 (-1)	4 (-1)	5 (+1)	6 (+1)	5 (-1)	6 (+1)	5 (-1)	8 (+3)	7 (-1)	5 (-2)	5 (no change)
	Concentration	4000 (estimate)	4392 (estimate)	4576 (estimate)	4313 (estimate)	3829 (estimate)	4233 (+404)	3715 (-518)	3916 (-201)	4202 (+286)	4103 (-99)	2332 (-1771)	3800 (+1468)	5609 (+1809)
31. Biddeford/ Saco	Competitors HIII	17	21 (+4)	21 (no change)	20 (-1)	21 (+1)	22 (+1)	18 (-4)	21 (+3)	16 (-5)	18 (+2)	19 (+1)	20 (+1)	18 (-2)
	Concentration	1524	1323 (-201)	1557 (+234)	1025 (-532)	1418 (+393)	2499 (+1081)	1802 (-697)	2063 (+261)	4874 (+2811)	1845 (-3029)	1946 (+101)	1895 (-51)	2322 (+427)
32. York	Competitors HIII	3	6 (+3)	6 (no change)	9 (+3)	9 (no change)	4 (-5)	8 (+4)	9 (+1)	5 (-4)	5 (no change)	4 (-1)	4 (no change)	5 (+1)
	Concentration	8000 (estimate)	6855 (estimate)	6380 (estimate)	2146 (estimate)	2842 (estimate)	7311 (estimate)	2752 (-4559)	2568 (-184)	8315 (+5747)	5640 (-2675)	7654 (+2014)	4666 (-2988)	2683 (-1983)
33. Mt. Desert	Competitors HIII	9	8 (-1)	10 (+2)	12 (+2)	10 (-2)	8 (-2)	10 (+2)	11 (+1)	9 (-2)	6 (-3)	8 (-1)	8 (no change)	7 (-1)
	Concentration	2762	4084 (+1322)	4094 (+10)	3352 (-742)	2768 (-584)	2478 (-290)	2789 (+311)	2904 (+115)	3083 (+179)	3380 (+297)	3075 (-305)	2868 (-207)	2979 (+111)

MFO MARKET RANK														
Market	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Average Rank
Androscoggin	3	4	5	3	4	5	6	6	6	6	5	5	8	5
Aroostook	12	12	13	13	13	14	14	13	11	13	13	16	11	13
Cumberland	1	1	2	1	1	1	1	1	1	1	1	2	1	1
Franklin	9	6	11	11	8	10	9	12	8	10	11	13	10	10
Hancock	7	5	6	6	5	5	4	4	4	5	3	3	3	5
Kennebec	8	9	10	8	7	7	7	10	7	8	7	6	5	8
Knox	4	3	3	4	3	2	2	2	3	4	6	8	6	4
Lincoln	5	8	7	9	9	12	12	9	10	9	9	12	13	10
Oxford	14	15	12	14	11	13	10	7	12	14	16	15	15	13
Penobscot	6	10	8	7	10	8	11	11	15	16	15	7	7	10
Piscataquis	15	16	16	16	16	16	16	15	16	15	14	14	16	15
Sagadahoc	13	11	9	12	14	9	8	8	13	7	8	11	12	10
Somerset	16	14	15	15	12	11	13	16	9	11	10	10	9	12
Waldo	11	7	5	5	6	6	5	3	5	3	2	1	4	5
Washington	10	13	14	10	15	15	15	14	14	12	12	9	14	13
York	2	2	1	2	2	3	3	5	2	2	4	4	2	3

HHO MARKET RANK														
Market	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Average Rank
1 St. John Valley	23	22	21	23	28	24	27	26	22	29	30	27	28	25
2 Ashland/Presque Isle	14	10	16	16	21	16	13	17	28	20	21	18	14	17
3 Houlton	16	17	13	19	17	12	15	15	11	11	13	23	24	16
4 Lincoln	5	13	23	28	30	15	31	33	14	5	7	10	10	17
5 Woodland/Calais	27	20	20	10	11	13	9	4	9	13	28	29	31	17
6 Cherryfield/Machias	20	23	18	18	13	21	23	28	30	23	22	26	30	23
7 Old Town	12	15	12	11	10	11	7	13	12	15	11	11	11	12
8 Ellsworth	19	16	15	17	14	6	10	10	7	5	10	6	5	11
9 Bangor	11	7	9	9	4	3	4	5	4	3	17	4	8	7
10 Dover-Foxcroft	17	19	24	15	22	20	16	18	13	16	16	20	27	19
11 Pittsfield/Newport	18	12	14	14	19	14	28	23	26	24	23	19	19	19
12 Belfast	2	2	5	6	3	26	3	1	1	6	4	13	20	7
13 Rockland	6	2	3	4	5	5	6	6	18	4	4	4	4	5
14 MidCoast	28	30	32	29	20	18	24	9	16	21	25	16	12	22
15 Augusta	1	1	1	1	1	1	8	3	3	1	1	2	2	2
16 Waterville	8	8	11	8	16	9	14	11	8	10	9	8	7	10
17 Skowhegan	10	5	6	7	6	4	1	8	5	7	6	9	6	6
18 Jackman/Greenville	31	27	26	20	18	32	33	21	15	30	31	32	29	27
19 Farmington	21	21	16	12	15	19	21	21	10	14	15	14	18	17
20 Jay	26	26	29	24	29	25	22	32	28	26	29	31	22	27
21 Lewiston/Auburn	9	9	8	13	9	7	19	7	6	9	2	3	3	8
22 Bath/Brunswick	13	18	19	25	12	10	18	22	23	17	20	21	23	19
23 Portland	3	4	2	2	2	2	2	2	2	2	3	1	1	2
24 Gray	4	11	4	5	7	8	11	12	24	9	8	7	15	10
25 South Paris	29	29	27	30	32	30	32	29	25	31	32	33	33	30
26 Rumford/Rangeley	15	15	17	26	24	29	5	27	20	19	20	15	13	19
27 Bethel	32	32	31	32	33	28	29	31	19	22	26	25	25	28
28 Bridgton	22	24	22	33	23	17	20	19	17	18	14	22	9	20
29 Limerick	25	25	25	22	26	27	17	16	29	28	24	17	17	23
30 Sanford	30	31	30	31	31	31	30	30	31	32	18	28	32	30
31 Biddeford/Saco	7	6	10	3	8	23	12	14	31	12	12	12	16	13
32 York	33	33	33	21	27	33	25	20	33	33	33	30	21	29
33 Mt. Desert	24	28	29	27	25	22	26	25	21	27	27	24	26	25

MFO Market Area	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Average VIII	2005 Over Average VIII	VIII Range
Androscoggin	482	511	547	530	482	512	610	699	691	754	683	792	943	634	309	943 - 482
Aroostook	1343	1073	1323	1176	1216	1426	1268	1271	1521	1462	1387	1716	1173	1335	-162	1716 - 1173
Cumberland	415	416	475	394	356	345	386	451	520	387	407	535	399	422	-23	535 - 356
Franklin	1006	673	1203	1147	895	999	941	1191	1036	1219	1185	1474	1107	1083	24	1185 - 673
Hancock	972	580	791	703	500	544	572	643	636	654	524	569	557	634	-77	972 - 500
Kennebec	974	785	1064	872	802	826	625	969	777	734	875	830	752	837	-85	1064 - 625
Knox	510	503	528	530	430	427	456	494	612	537	688	950	885	581	304	950 - 427
Lincoln	714	721	837	1054	900	1065	1075	950	1358	1085	1039	1361	1235	1030	205	1361 - 714
Oxford	1594	1331	1223	1186	1079	1239	1002	702	1549	1595	1784	1630	1700	1355	345	1700 - 702
Penobscot	971	799	862	870	903	831	1049	1050	2061	2145	1659	937	887	1156	-269	2145 - 799
Piscataquis	1878	1662	1891	1652	1755	1658	1780	1987	2089	1803	1620	1594	1744	1778	-34	2089 - 1594
Sagadahoc	1502	902	935	1166	1297	880	770	852	1561	794	882	1279	1200	1078	122	1561 - 770
Somerset	2118	1140	1722	1621	1167	1048	1103	2942	1084	1283	1163	1267	1093	1442	-349	2942 - 1048
Waldo	1313	675	735	637	536	568	597	591	644	510	425	534	565	641	-76	1313 - 425
Washington	1124	1140	1328	1081	1314	1508	1690	1794	1698	1360	1226	1252	1280	1369	-89	1794 - 1124
York	452	445	341	396	394	465	462	696	524	504	563	577	510	487	23	696 - 341

HIO Market Area	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Average HIII	2005 Over Average HIII	HIII Range
01. St. John Valley	2538	2539	2400	2513	2891	2659	2793	3040	3090	3794	3316	3774	3774	3009	765	3794 - 2400
02. Ashland / Presauc Isle	1925	1557	1531	1962	2128	2179	1824	2347	3287	2567	2337	2294	2264	2171	93	3287 - 1531
03. Houlton	1973	2082	1969	2051	2008	1785	1955	2092	1963	1803	1995	2838	2835	2104	731	2838 - 1963
04. Lincoln	1316	1940	2469	3394	3673	2164	4036	4260	2261	3151	1485	1796	1754	2592	-838	4260 - 1316
05. Woodland / Calais	3366	2237	2332	1631	1646	1951	1593	1080	1928	1885	3264	4071	4441	2417	2024	4441 - 1080
06. Cherrvfield / Machias	2228	2552	2066	1975	1692	2311	2525	3574	3627	2784	2391	3720	4199	2742	1457	4199 - 1692
07. Old Town	1709	1997	1631	1687	1605	1732	1377	1981	2105	1935	1901	1866	1925	1804	121	2105 - 1605
08. Ellsworth	2167	2059	2001	1973	1870	1350	1605	1673	1520	1231	1739	1359	1381	1687	-306	2167 - 1231
09. Bangor	1633	1342	1550	1560	1104	958	1079	1141	1185	1031	2309	1218	1594	1362	232	2309 - 958
10. Dover-Foxcroft	2096	2191	2552	1886	2187	2309	1969	2468	2211	2130	2209	2560	3173	2303	870	3173 - 1969
11. Pittsfield / Newoort	2096	1693	1971	1822	2071	2018	2841	2835	3282	2923	2428	2480	2490	2381	109	3282 - 1822
12. Belfast	984	899	1126	1184	1052	2805	945	877	720	1233	1284	1942	2584	1357	1227	2805 - 720
13. Rockland	1321	1069	1061	1125	1111	1248	1263	1266	2895	1196	1402	1343	1250	1350	-100	2895 - 1061
14. Midcoast	3680	4190	5548	3627	2090	2253	2624	1655	2668	2676	2494	2081	1950	2887	-937	5548 - 1655
15. Augusta	922	714	696	775	777	755	1489	891	867	740	1009	887	1099	894	205	1489 - 696
16. Waterville	1548	1370	1610	1539	1976	1569	1837	1776	1797	1793	1556	1549	1477	1646	-169	1837 - 1370
17. Skowhegan	1618	1317	1187	1244	1226	1191	577	1496	1362	1369	1426	1555	1389	1304	85	1618 - 577
18. Jackman / Greenville	5531	3534	3273	2134	2058	4786	5694	2668	2361	3845	5335	5421	3982	3894	88	5694 - 2058
19. Farmington	2257	2358	2012	1772	1877	2290	2221	2846	1945	1906	2091	1977	2452	2154	298	2846 - 1772
20. Jav	3211	3368	3462	2789	3551	2749	2319	4051	3423	3185	3285	4978	2728	3315	-587	4978 - 2319
21. Lewiston / Auburn	1613	1517	1448	1789	1566	1481	2148	1463	1509	1448	1060	1102	1101	1480	-379	2148 - 1101
22. Bath / Brunswick	1921	2169	2081	2846	1669	1731	2130	2748	3124	2216	2340	2569	2819	2336	483	3124 - 1669
23. Portland	1097	1168	1020	776	972	775	714	884	744	884	1152	662	865	901	-36	1168 - 662
24. Gray	1281	1572	1108	1172	1398	1493	1641	1785	3197	1581	1550	1539	2268	1660	608	3197 - 1108
25. South Paris	3706	4158	3361	3903	3989	3847	4170	3851	3251	3994	5755	5424	5618	4233	1385	5755 - 3251
26. Rumford / Rangeley	1926	1989	2047	2889	2690	3276	1250	3317	3011	2300	2334	2031	2051	2393	-342	3317 - 1926
27. Bethel	5634	4941	5000	5000	4038	3185	3308	4024	2981	2747	2820	3318	2866	3836	-970	5634 - 2747
28. Bridgton	2400	2689	2443	5235	2554	2199	2217	2469	2836	2295	2068	2662	1684	2596	-912	5235 - 2199
29. Limerick	2992	3085	2947	2273	2776	2933	1979	2343	3486	3575	2478	2184	2334	2722	-388	3575 - 1979
30. Sanford	4000	4392	4576	4313	3829	4233	3715	3916	4202	4103	2332	3800	5609	4078	1531	5609 - 2332
31. Biddeford / Saco	1524	1323	1557	1025	1418	2499	1802	2063	4874	1845	1946	1895	2322	2007	315	4874 - 1025
32. York	8000	6855	6380	2146	2842	7311	2752	2568	8315	5640	7654	4666	2683	5216	-2533	8315 - 2146
33. Mt. Desert	2762	4084	4094	3352	2768	2478	2789	2904	3083	3380	3075	2868	2979	3124	-115	4094 - 2478