FTC Enforcement Actions in the Petroleum Industry, 1981-2002

Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
Mobil/ Marathon[1] (1981)	Wholesale marketing of gasoline and middle distillates in various markets in the Great Lakes area	Unilateral / Coordinated[2]	Not publicly available[3]	FTC sought preliminary injunction, but before hearings were held Mobil withdrew tender offer as a result of injunction in a separate, private litigation
Gulf/Cities Service[4] (1982)	1. Wholesale distribution of gasoline in various areas in the East and Southeast	Coordinated	Not publicly available	Gulf withdrew its tender offer after the FTC obtained a temporary restraining order prior to a preliminary injunction hearing
	2. Manufacture and sale of kerosene jet fuel in PADDs I and III and parts thereof	Coordinated	Not publicly available	As above
	3. Pipeline transportation of refined products into the Mid Atlantic and Northeast	Unilateral[5]	Not publicly available	As above
Texaco/Getty[6] (1984)	1. Refining of light products in the Northeast[7]	Unilateral	Not publicly available	Divestiture of Texaco refinery at Westville, NJ
	2. Pipeline transportation of light products into the Northeast	Unilateral / Coordinated[8]	Not publicly available	Texaco required to support all Colonial pipeline expansions for ten years
	3. Pipeline transportation of light products into Colorado	Unilateral / Coordinated[9]	Not publicly available	Divestiture of either Texaco pipeline interest or Getty refining interests
	4. Wholesale distribution of gasoline and middle distillates in various parts of the Northeast	Coordinated	Not publicly available	Divestiture of Getty marketing assets in the Northeast, and a Texaco terminal in Maryland
	5. Sale and transport of heavy crude oil in California	Unilateral[10]	Not publicly available	Texaco required to supply crude oil and crude pipeline access to former Getty customers under specified terms
Chevron/ Gulf[11] (1984)	1. Bulk supply of kerosene jet fuel in parts of PADDs I and III and the West Indies and Caribbean islands	Coordinated	Not publicly available	Divestiture of one of two specified Gulf refineries in Texas and Louisiana.

FTC Enforcement Actions in the Petroleum Industry, 1981-2002 *(continued)*

Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
	2. Transport of light products to the inland Southeast	Coordinated[12]	Not publicly available	Divestiture of Gulf's interest in the Colonial Pipeline
	3. Wholesale distribution of gasoline and middle distillates in numerous markets in West Virginia and the South	Coordinated	Not publicly available	Divestiture of all Gulf marketing assets in six states and parts of South Carolina
	4. Transport of crude oil from West Texas/New Mexico	Unilateral / Coordinated[13]	Not publicly available	Divestiture of Gulf interests in specified crude oil pipelines, including 51% of Gulf's interest in the West Texas

FTC Enforcement Actions in the Petroleum Industry, 1981-2002 *(continued)*				
Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
	2a. Refining of gasoline for the Pacific Northwest	Unilateral / Coordinated	Post-merger 2896 Change 561	As above
	2b. Refining of jet fuel for the Pacific Northwest	Unilateral / Coordinated	Post-merger 2503 Change 258	As above
	3. Refining of "CARB" gasoline for California	Unilateral / Coordinated	Post-merger 1635 Change 154	As above
	4. Transportation of undiluted heavy crude oil to San Francisco Bay area for refining of asphalt	Unilateral[19]	Not applicable	Ten year extension of crude oil supply agreement.
	5. Pipeline transportation of refined light products to the inland Southeast U.S.	Coordinated[20]	Pre-merger >1800	Divestiture of either party's pipeline interest
	6. CARB gasoline marketing in San Diego County, California	Coordinated	Post-merger 1815 Change 250	Divestiture to a single entity of retail outlets with specified individual and combined volume
	7. Terminaling and marketing of gasoline and diesel fuel on the island of Oahu, Hawaii	Coordinated	Post-merger 2160 Change 267	Divestiture of either Shell's or Texaco's terminal and associated retail outlets
BP/ Amoco[21] (1998)	1. Terminaling of gasoline and other light products in nine separate metropolitan areas, mostly in the Southeast U.S.	Coordinated	Post-merger range >1500 - >3600 Change >100	Divestiture of a terminal in each geographic market
	2. Wholesale sale of gasoline in thirty cities or metropolitan areas in the Southeast U.S. and parts of Ohio and Pennsylvania	Coordinated	Post-merger range >1400->1800 Change >100	Divestiture of BP's or Amoco's owned retail outlets in eight geographic areas; in all 30 areas jobbers and open dealers given option to cancel without penalty
Exxon/ Mobil[22] (1999)	1. Gasoline marketing in at least 39 metro areas in the Northeast (Maine to New York) and Mid-Atlantic (New Jersey to Virginia) regions of the U.S.	Unilateral / Coordinated	Post-merger range from 1000-1800 Change >100 to Post-merger >1800 Change >50 (all inferred)	Divestiture of all Exxon (Mobil) owned outlets and assignment of agreements in the Northeast (Mid-Atlantic) region

FTC Enforcement Actions in the Petroleum Industry, 1981-2002 *(continued)*				
Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
	2. Gasoline marketing in five metro areas of Texas	Unilateral / Coordinated	Post-merger range from 1000-1800 Change >100 to Post-merger >1800 Change >50 (all inferred)	Divestiture of Mobil's retail outlets and supply agreements
	3. Gasoline marketing in Arizona (potential competition)	Coordinated	Not applicable	Termination of Exxon's option to repurchase retail outlets previously sold to Tosco
	4. Refining and marketing of "CARB" gasoline in California	Unilateral / Coordinated	Post-merger 1699 Change 171 (measured by refining capacity)	Divestiture of Exxon's refinery at Benicia, CA, and all of Exxon's marketing assets in CA, including assignment to the refinery buyer of supply agreements for 275 outlets
	5. Refining of Navy jet fuel on the west coast	Unilateral / Coordinated	Post merger >1800 (inferred) Change >50 (inferred)	As above
	6. Terminaling of light products in Boston, MA and Washington, DC areas	Unilateral / Coordinated	Post merger >1800 (inferred) Change >50 (inferred)	Divestiture of a Mobil terminal in each area
	7. Terminaling of light products in Norfolk, VA area.	Unilateral / Coordinated	Post merger >1800 (inferred)	Continuation of competitor access to wharf
	8. Transportation of light products to the Inland Southeast	Coordinated[23]	Post-merger >1800 (inferred)	Divestiture of either party's pipeline interest
	9. Transportation of Crude Oil from the Alaska North Slope	Coordinated[24]	Post-merger >1800 (inferred) Change >50 (inferred)	Divestiture of Mobil's 3% interest in TAPS
	10. Terminaling and gasoline marketing assets on Guam	Unilateral / Coordinated	Post-merger 7400 Change 2800	Divestiture of Exxon's terminal and retail assets on the island

FTC Enforcement Actions in the Petroleum Industry, 1981-2002 *(continued)*

Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
	11. Paraffinic base oil refining and marketing in the U.S. and Canada	Unilateral / Coordinated	Post-merger range 1000 to 1800 (inferred) Change >100 (inferred)	Relinquishment of contractual control over Valero's base oil production; long term supply agreements at formula prices for volume of base oil equal to Mobil's U.S. production
	12. Refining and marketing of jet turbine oil worldwide	Unilateral[25]	Pre-merger >5625	Divestiture of Exxon jet turbine oil manufacturing facility at Bayway, NJ, with related patent licenses and intellectual property
BP/ARCO[26] (2000)	1. Production and sale of Alaska North Slope ("ANS") crude oil	Unilateral[27]	Post-merger >5476 Change 2640	FTC filed in federal District Court, then reached consent; divestiture of all of ARCO's Alaska assets[28]
	2. Bidding for ANS crude oil exploration rights in Alaska	Unilateral[29]	Post-merger >1800 (inferred) Change >50 (inferred)	As above
	3. Transportation of ANS crude oil on the Trans-Alaska Pipeline System	Unilateral / Coordinated[30]	Post-merger >5600 Change 2200	As above
	4. Future commercialization of ANS natural gas (potential competition)	Unilateral / Coordinated[31]	Not applicable	As above
	5. Crude oil transportation and storage services at Cushing, Oklahoma	Unilateral[32]	Post-merger >1849 for storage >2401 for pipelines >9025 for trading services Changes >50 (inferred)	Divestiture of all of ARCO's pipeline interests and storage assets related to Cushing
Chevron/ Texaco[33] (2001)	1. Gasoline marketing in numerous separate markets in 23 western and southern states	Coordinated	Post-merger range from 1000-1800 Change >100 to Post merger >1800 Change >50 (all inferred)	Divestiture (to Shell, the other owner of Equilon) of Texaco's interests in the Equilon and Motiva joint ventures (including Equilon's interests in the Explorer and Delta Pipelines)
	2. Marketing of CARB gasoline in California	Unilateral / Coordinated	Post-merger range >2000 Change >50	As above

FTC Enforcement Actions in the Petroleum Industry, 1981-2002 *(continued)*

Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
	3. Refining and bulk supply of CARB gasoline for California	Unilateral / Coordinated	Post-merger 2000 Change 500	As above
	4. Refining and bulk supply of gasoline and jet fuel in the Pacific Northwest	Coordinated	Post-merger > 2000 Change > 600	As above
	5. Refining and bulk supply of RFG II gasoline for the St. Louis metropolitan area	Coordinated[34]	Post-merger > 5000 Change > 1600	As above
	6. Terminaling of gasoline and other light products in various geographic markets in California, Arizona, Hawaii, Mississippi, and Texas	Unilateral / Coordinated	Post-merger range >2000 Change >300	As above
	7. Crude oil transportation via pipeline from California's San Joaquin Valley	Coordinated	Post-merger > 3300 Change >800	As above
	8. Crude oil transportation from the offshore Eastern Gulf of Mexico	Unilateral[35]	j9.96 0	0 9.96 .c0.0e

FTC Enforcement Actions in the Petroleum Industry, 1981-2002 *(continued)*

Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
	2. Refining and Bulk Supply of CARB 3 gasoline for northern California	Unilateral / Coordinated	Post-merger > 3050 Change >1050	As above
	3. Refining and Bulk Supply of CARB 2 gasoline for state of California	Coordinated	Post-merger > 1750 Change > 325	As above
	4. Refining and Bulk Supply of CARB 3 gasoline for state of California	Coordinated	Post-merger >1850 Change > 390	As above
Phillips/ Conoco[39] (2002)	1. Bulk supply (via refining or pipeline) of light petroleum products in eastern Colorado	Coordinated	Post-merger > 2600 Change > 500	Divestiture of Conoco refinery in Denver and all of Phillips marketing assets in eastern Colorado
	2. Bulk supply of light petroleum products in northern Utah	Coordinated	Post-merger > 2100 Change > 300	Divestiture of Phillips refinery in Salt Lake City and all of Phillips marketing assets in northern Utah
	3. Terminaling services in the Spokane, Washington area	Unilateral / Coordinated	Post-merger 5000 Change > 1600	Divestiture of Phillips' terminal at Spokane
	4. Terminaling services for light products in the Wichita, Kansas area	Unilateral / Coordinated	Post-merger > 3600 Change > 750	Terminal throughput agreement with option to buy 50% undivided interest in Phillips terminal
	5. Bulk supply of propane in southern Missouri	Unilateral / Coordinated	Post-merger 3700 Change > 1200	Divestiture of Phillips' propane business at Jefferson City and E. St. Louis; Post-merger > 3600 contrent 022 Tw(propane business at Jeffe Change > 1200

FTC Enforcement Actions in the Petroleum Industry, 1981-2002 *(continued)*

Firms (Year)*	Markets Affected	Theory of Anti-competitive Effects	Concentration (HHI)	FTC Enforcement Action
	9. Fractionation of natural gas liquids at Mont Belvieu, Texas	Unilateral / Coordinated[41]	Not publicly available	Prohibitions on transfers of competitive information; voting requirements for capacity expansion
Shell/Pennzoil Quaker State[42] (2002)	Refining and marketing of paraffinic base oil in U.S. and Canada	Unilateral / Coordinated	Post-merger >2300 Change >700	Divestiture of Pennzoil interest in lube oil joint venture; Pennzoil sourcing of lube oil from third party lube oil refiner frozen at current level

Source: Compiled from FTC complaints, orders, and analyses to aid public comment.

Note:* This table chronologically lists enforcement actions, beginning with the FTC's first challenge of a major petroleum merger in 1981. The year cited is the year in which the merger was proposed and most of the FTC activity occurred; in some cases, a consent order was not final until the following calendar year.

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[10] Both Texaco and Getty owned refineries and proprietary pipeline systems in the relevant market. While Texaco produced less heavy crude oil than it could refine, Getty produced more than it could refine on the West Coast. The Complaint alleged that the merger was "likely to increase Texaco's incentives and ability to deny non-integrated refiners heavy crude oil and access to proprietary pipelines." Texaco/Getty (1984), Complaint ¶ 50-57.

[11] Chevron/Gulf (1984), Complaint ¶ 15-41.

[12] Gulf owned the largest share, 16.78%, of Colonial Pipeline, while Chevron owned the second largest share, 27.13%, of Plantation Pipeline, Colonial's only direct competitor. Chevron/Gulf (1984), Complaint ¶ 25-26.

[13] Chevron owned a proprietary pipeline running from the West Texas/New Mexico producing area to El Paso, while Gulf owned the largest share of the West Texas Gulf Pipeline running from the producing area to the Gulf Coast and the MidValley Pipeline at Longview, TX. Chevron/Gulf (1984), Complaint ¶ 38-39.

[14] Conoco/Asamera (1986), Complaint that the Commission voted to pursue.

[15] The Preliminary Injunction Complaint in Conoco/Asamera alleged that the merger would create a dominant firm in the relevant markets. Conoco/Asamera (1986), Complaint that the Commission voted to pursue ¶ 15.

[16] PRI/Shell (1987), Complaint ¶ 6-12.

[17] Sun/Atlantic (1988), Complaint and Order.

[18] Shell/Texaco (1997), Complaint ¶ 10-37; Analysis of Proposed Consent Order to Aid Public Comment.

[19] The Texaco heated pipeline was the only pipeline supplying undiluted heavy crude oil to the San Francisco Bay area, where Shell and a competitor refined asphalt. Shell/Texaco (1997), Complaint ¶ 15.

[20] Shell owned 24% of Plantation Pipeline and Texaco owned 14% of Colonial Pipeline. Shell/Texaco (1997), Complaint ¶ 32.

[21] BP/Amoco (1998), Complaint ¶ 8-21; Analysis of Proposed Consent Order to Aid Public Comment.

[22] Exxon/Mobil (1999), Complaint ¶ 8-54; Analysis of Proposed Consent Order to Aid Public Comment.

[23] Exxon owned 49% of Plantation Pipeline and Mobil owned 11% of Colonial Pipeline. Exxon/Mobil (1999), Complaint ¶ 13.

[24] Exxon and Mobil owned 20% and 3%, respectively, of the Trans-Alaska Pipeline System (TAPS), the only means of transporting Alaskan North Slope (ANS) crude oil to the port facilities at Valdez, AK. Exxon/Mobil (1999), Complaint ¶ 14.

[25] Exxon and Mobil together accounted for 75% of worldwide sales, and 90% of worldwide sales to commercial airlines. Exxon/Mobil (1999), Analysis of Proposed Consent Order to Aid Public Comment.

[26] BP/ARCO (2000), Complaint ¶ 10-66; Analysis of Proposed Consent Order to Aid Public Comment.

[27] BP had a 44% share of ANS crude oil production at that time, while ARCO had a 30% share, implying that their contribution to the HHI was 2836. Their contribution to the post-merger HHI Consent Order to ecrude oil prfagtJ6 0 0 6 4 Public Com