

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In the matter of

El Paso Energy Corporation,

a corporation, and

The Coastal Corporation,

a corporation.

Docket No. C-3996

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Clayton Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission (“Commission”), having reason to believe that respondent El Paso Energy Corporation has entered into an agreement to acquire all of the securities of The Coastal Corporation, all subject to the jurisdiction of the Commission, in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, that such acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45, and that a proceeding in respect thereof would be in the public interest, hereby issues this complaint, stating its charges as follows.

I. RESPONDENTS

El Paso

1. Respondent El Paso Energy Corporation (“El Paso”) is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business at 1001 Louisiana Street, El Paso Energy Building, Houston, Texas 77002.

2. Respondent El Paso is, and at all times relevant herein has been, engaged in, among other things, the exploration, production, gathering, processing, transportation, storage, marketing and sales of natural gas in the United States.
3. Respondent El Paso had total revenues of \$10.6 billion in 1999.

Coastal

4. Respondent The Coastal Corporation (“Coastal”) is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business at Coastal Tower, Nine Greenway Plaza, Houston, TX 77046.
5. Respondent Coastal is, and at all times relevant herein has been, engaged in, among other things, the exploration, production, gathering, processing, transportation, storage, marketing and sales of natural gas in the United States.
6. Respondent Coastal had total revenues of \$ 8.2 billion in 1999.

II. THE ACQUISITION

7. Respondent El Paso entered into a merger agreement, dated January 17, 2000, in which El Paso would acquire all of the Coastal common stock and the former Coastal shareholders will, as a result, own approximately 53% of El Paso’s voting securities (the “Acquisition”). The total dollar value of the Acquisition, which includes about \$6 billion in debt and preferred securities, is estimated to be \$16 billion.

III. TRADE AND COMMERCE

8. A relevant line of commerce in which to analyze the effects of the Acquisition is transportation of natural gas. The only way economically to transport commercial quantities of natural gas over significant distances is through large diameter, high pressure pipelines.
9. A second relevant line of commerce in which to analyze the effects of the Acquisition is long term firm transportation of natural gas. Long term firm transportation is a natural gas transportation service requiring the pipeline company to guarantee for one year or more that it will transport a specified daily quantity of natural gas from one destination to another, without interruption. Many users of natural gas cannot bear the risk of interruption and must purchase long term firm transportation in areas where pipelines are periodically capacity constrained. For these customers, other pipeline services and periodic resales of transportation by holders of long term transportation rights are not reasonably interchangeable.

10. A third relevant line of commerce in which to analyze the effects of the Acquisition is the provision of tailored services. Tailored services allow users of natural gas, such as local natural gas distribution companies, to balance their changes in natural gas demand with their supply of natural gas and transportation. Tailored services include limited and no notice services and are typically sold in conjunction with natural gas storage services. Users of this service, such as local natural gas distribution companies, face severe variations in their natural gas demand and cannot substitute alternative pipeline services and periodic resales of transportation by long-term transportation holders for tailored services.

Central Florida

11. A section of the country in which to analyze effect of the Acquisition is the natural gas consuming area consisting of the Florida counties of Brevard, Charlotte, Citrus, De Soto, Glades, Hardee, Hendry, Hernando, Highlands, Hillsborough, Indian River, Lake, Lee, Manatee, Martin, Okeechobee, Orange, Osceola, Palm Beach, Pasco, Pinellas, Polk, Sarasota, Sumter and St. Lucie (“Central Florida”).
12. The major buyers of natural gas in Central Florida include local natural gas distribution companies, electric power generating utilities and industrial customers. These entities buy large quantities of natural gas to resell, to use as fuel to generate electricity or for industrial processes.
13. Consumption of natural gas in Central Florida is substantially higher than production, with the result that most natural gas consumed in Central Florida must be transported by natural gas pipelines.
14. Natural gas users in Central Florida can only receive natural gas from those pipelines that travel to Central Florida. Natural gas users in Central Florida have no effective alternative to natural gas pipeline transportation within that area and cannot economically access natural gas pipelines outside of Central Florida.
15. El Paso owns a 50% interest in the Florida Gas Transmission (“FGT”) pipeline which transports natural gas to Central Florida. FGT is the only interstate natural gas pipeline currently transporting natural gas to Central Florida.
16. Coastal has proposed building the Gulfstream Natural Gas System (“Gulfstream”) to transport natural gas into Central Florida. Gulfstream has precedent agreements with ten Florida utilities and power-generation facilities representing long-term commitments for the majority of its 1.1 billion cubic feet of natural gas per day capacity. Coastal plans to have Gulfstream begin service in June of 2002.

17. Together Respondents will own or control all the pipeline capacity into Central Florida. For natural gas buyers in Central Florida, Respondents' pipeline systems are or will be the only two alternatives.
18. El Paso and Coastal are ongoing competitors, actual potential competitors, and perceived potential competitors in Central Florida.
19. There are substantial barriers to entering Central Florida. Building additional pipelines to natural gas production areas or pipelines out of Central Florida would be unlikely, take over two years, and not prevent Respondents from maintaining prices at pre-Acquisition levels.

Buffalo-Niagara Falls, Rochester, Syracuse,
and Albany-Schenectady-Troy MSAs

20. Sections of the country in which to analyze effect of the Acquisition are the natural gas consuming areas in or around the Buffalo-Niagara Falls, Rochester, Syracuse, and Albany-Schenectady-Troy, New York, Metropolitan Statistical Areas ("MSAs").
21. The major buyers of natural gas in each of the Buffalo-Niagara Falls, Rochester, Syracuse, and Albany-Schenectady-Troy MSAs include local natural gas distribution companies, electric power generating utilities, and industrial customers. These entities buy large quantities of natural gas to resell, to use as fuel to generate electricity or for industrial processes.
22. Consumption of natural gas in each of the New York State MSAs is substantially higher than production, with the result that most natural gas consumed in each of the MSAs must be transported by natural gas pipelines.
23. Natural gas users in each of the Buffalo-Niagara Falls, Rochester, Syracuse, and Albany-Schenectady-Troy MSAs can only receive natural gas from those pipelines that travel through that MSA. Natural gas users in each MSA have no effective alternative to natural gas pipeline transportation within that MSA and cannot economically access natural gas pipelines outside of that MSA.
24. El Paso's Tennessee Gas Pipeline is one of the major suppliers of natural gas transportation into each of the Buffalo-Niagara Falls, Rochester, Syracuse, and Albany-Schenectady-Troy MSAs.
25. Coastal operates and owns a 50% interest in the Empire State Pipeline. The Empire State Pipeline is a major supplier of natural gas to each of the Buffalo-Niagara Falls, Rochester, and Syracuse MSAs.

26. Coastal also owns a 16% interest in the Iroquois Gas Transmission Company, which owns the Iroquois Pipeline (“Iroquois”). Iroquois is a major supplier of natural gas to the Albany-Schenectady-Troy MSA.
27. Together Respondents own or control a significant share of all pipeline capacity into the Buffalo-Niagara Falls, Rochester, Syracuse and Albany-Schenectady-Troy MSAs. For some natural gas buyers, Respondents’ pipelines are two of the only three transportation options. For some natural gas buyers, Respondents’ pipelines are the only two transportation options for transporting low cost Canadian natural gas into these areas.
28. El Paso and Coastal are ongoing competitors in the Buffalo-Niagara Falls, Rochester, Syracuse and Albany-Schenectady-Troy MSAs. Competition between the El Paso and Coastal pipeline systems has resulted in significant competition to transport natural gas to the Buffalo-Niagara Falls, Rochester, Syracuse and Albany-Schenectady-Troy MSAs.
29. There are substantial barriers to entering any Buffalo-Niagara Falls, Rochester, Syracuse and Albany-Schenectady-Troy MSA. Building additional pipelines to natural gas production areas or pipelines out of any of those MSAs would be unlikely, take over two years, and not prevent Respondents from raising prices above pre-Acquisition levels.

Milwaukee-Waukesha PMSA

30. A section of the country in which to analyze effect of the Acquisition is the natural gas consuming area in or around the Milwaukee-Waukesha, Wisconsin, Primary Metropolitan Statistical Area (“Milwaukee-Waukesha PMSA”).
31. The major buyers of natural gas in the Milwaukee-Waukesha PMSA include local natural gas distribution companies. These entities buy large quantities of natural gas to resell.
32. Consumption of natural gas in this section of the country is substantially higher than production, with the result that most natural gas consumed in the Milwaukee-Waukesha PMSA must be transported by natural gas pipelines.
33. Natural gas users in the Milwaukee-Waukesha PMSA only can receive natural gas from those pipelines that travel through the Milwaukee-Waukesha PMSA. Natural gas users in the Milwaukee-Waukesha PMSA have no effective alternative to natural gas pipeline transportation within that PMSA and cannot economically access natural gas pipelines outside of the Milwaukee-Waukesha PMSA.
34. Coastal’s ANR pipeline is the only supplier of natural gas transportation to the Milwaukee-Waukesha PMSA. The ANR pipeline is the only pipeline that currently allows Wisconsin users of natural gas to access storage fields in Michigan and is the only current supplier of tailored services to the Milwaukee-Waukesha PMSA.

35. Guardian Pipeline L.L.C. has proposed building the Guardian pipeline to compete with ANR in the Milwaukee-Waukesha PMSA in the provision of natural gas pipeline transportation and tailored services. Guardian expects to enter service in the fall of 2002.
36. El Paso's Midwestern Gas Transmission ("MGT") pipeline likely will offer tailored services to customers within the Milwaukee-Waukesha PMSA by acting as an upstream supplier to the Guardian pipeline once it enters service. MGT terminates near the origin of the Guardian pipeline. MGT is the only supplier of tailored services that would allow Guardian to access low-cost natural gas storage fields in Michigan.
37. Together Respondents will own or control a significant share of all the pipeline capacity capable of offering tailored services to the Milwaukee-Waukesha PMSA that accesses gas storage fields in Michigan. For tailored services buyers in the Milwaukee-Waukesha PMSA, Respondents' pipeline systems in combination with the Guardian pipeline will form the only two routes to associated natural gas storage facilities.
38. Respondents' pipelines are significant actual potential and perceived potential competitors in the provision of tailored services in the Milwaukee-Waukesha PMSA. Specifically, the merged entity will be in a position to deny the rival Guardian pipeline timely and reliable access to tailored services or competitive prices for tailored services. El Paso's MGT pipeline forms the only link to alternate sources of storage needed to provide tailored services that will compete directly with ANR in the Milwaukee-Waukesha PMSA, once Guardian is in service. Together Respondents will control both MGT and ANR, preventing Guardian from competing effectively.
39. There are substantial barriers to entering the Milwaukee-Waukesha PMSA. Offering tailored services requires a pipeline with appropriate tariff services as well as access to low-cost natural gas storage fields in Michigan. Building additional pipelines to natural gas production areas and natural gas storage fields or pipelines outside the geographic market would be unlikely, take over two years and not prevent Respondents from maintaining prices at pre-Acquisition levels and denying Guardian access to tailored services.

Evansville Area

40. A section of the country in which to analyze the effect of the Acquisition is the natural gas consuming area in or around the Indiana counties of Posey, Vanderburgh and Warrick counties in Indiana ("Evansville Area").
41. The major buyers of natural gas in the Evansville Area include local natural gas distribution companies, electric power generating utilities, and industrial customers. These entities buy large quantities of natural gas to resell, to use as fuel to generate electricity, or

for industrial processes.

42. Consumption of natural gas in the Evansville Area is substantially higher than production, with the result that most natural gas consumed in the Evansville Area must be transported by natural gas pipelines.
43. Natural gas users in the Evansville Area can only receive natural gas from those pipelines that travel through the Evansville Area. Natural gas users in the Evansville Area have no effective alternative to natural gas pipeline transportation within the Evansville Area and cannot economically access natural gas pipelines outside of the Evansville Area.
44. El Paso's MGT pipeline transports natural gas into the Evansville Area. MGT is one of the major suppliers of natural gas transportation in the Evansville Area.
45. Coastal's ANR pipeline transports natural gas into the Evansville Area. ANR is one of the major suppliers of natural gas transportation to the Evansville Area.
46. Together Respondents own or control a significant share of all pipeline capacity into the Evansville Area. For some natural gas buyers, Respondents' pipelines are the only alternatives. For some natural gas buyers, Respondents' pipelines are two of the only three transportation options.
47. El Paso and Coastal are ongoing competitors, actual potential competitors and perceived potential competitors in the Evansville Area. Competition between the El Paso and Coastal pipeline systems has resulted in significant competition to transport natural gas to the Evansville Area.
48. There are substantial barriers to entering the Evansville Area. Building additional pipelines to natural gas production areas or pipelines out of the Evansville Area would be unlikely, take over two years and not prevent Respondents from raising prices above pre-Acquisition levels.

Central Gulf of Mexico

49. Sections of the country in which to analyze the effect of the Acquisition are the following offshore natural gas producing areas in the Central Gulf of Mexico (collectively and individually referred to as "Central Gulf Sections"):
 - a. eastern Eugene Island South Addition (the area bounded by the following blocks: Eugene Island 282, Eugene Island 279, Ewing Bank 982, Ewing Bank, 979);
 - b. northwestern Eugene Island South Addition (the area bounded by the following blocks: Eugene Island 334, Eugene Island 267, Eugene Island 274, Eugene Island

327);

- c. southwestern Eugene Island South Addition (the area bounded by the following blocks: Eugene Island 395, Eugene Island 335, Eugene Island 341, Ewing Bank 978);
- d. southern Vermilion South Addition (the area bounded by the following blocks: Vermilion 410, Vermilion 327, Vermilion 333, Vermilion 413);
- e. central and southern Ship Shoal South Addition (the area bounded by the following blocks: Ship Shoal 290, Ship Shoal 288, Ewing Bank 989, Ewing Bank 983, Ship Shoal 364, Ship Shoal 319, Ship Shoal 314);
- f. northwestern Ship Shoal South Addition (the area bounded by the following blocks: Ship Shoal 296, Ship Shoal 247, Ship Shoal 243, Ship Shoal 300);
- g. the area around the western part of the Bluewater Header (the area bounded by the following blocks: South Marsh Island 57, South Marsh Island 63, South Marsh Island 95, South Marsh Island 105, South Marsh Island 89, South Marsh Island 86);
- h. the area around the central part of the Bluewater Header (the area bounded by the following blocks: Eugene Island 267, Eugene Island 201, Eugene Island 211, Eugene Island 257);
- i. the area around the eastern part of the Bluewater Header (the area bounded by the following blocks: Ship Shoal 127, Ship Shoal 128, Ship Shoal 207, Ship Shoal 231, Ship Shoal 224); and
- j. the central Gulf deepwater (the area bounded by the following blocks: Garden Banks 26, Garden Banks 35, Garden Banks 79, Garden Banks 80, Garden Banks 85, Green Canyon 49, Green Canyon 5, Green Canyon 35, Green Canyon 1003, Green Canyon 969, Garden Banks 994).

The central part of the Gulf of Mexico is off the coast of Louisiana in or around portions of the areas known by the Department of Interior assigned names of Ewing Bank, Ship Shoal, Ship Shoal South Addition, Eugene Island, Eugene Island South Addition, South Marsh Island, South Marsh Island South Addition, Vermilion, Vermilion South Addition, Garden Banks and Green Canyon.

- 50. Consumption of natural gas in each Central Gulf Section is well below natural gas production levels. Most production is transported to areas in the Midwestern and Eastern United States.

51. Central Gulf of Mexico producers either contract directly with natural gas consumers or sell the natural gas to marketers who resell the natural gas. Neither the producers nor the marketers of Central Gulf of Mexico natural gas have an alternative to using the natural gas pipelines located in each Central Gulf Section to transport natural gas out that Section.
52. El Paso, through its subsidiaries, owns all or part of the Bluewater, TTT, Green Canyon, Tarpon, Manta Ray and Nautilus pipelines and related facilities. El Paso is one of the major transporters of natural gas out of each Central Gulf Section.
53. Coastal, through its subsidiaries, owns the ANR (Patterson) pipeline and related facilities. Coastal is one of the major transporters of natural gas out of each Central Gulf Section.
54. Together Respondents own or control a significant share of all pipeline capacity out of each Central Gulf Section. For some natural gas producers, Respondents' pipelines are the only alternatives.
55. El Paso and Coastal are ongoing, actual potential and perceived potential competitors in each Central Gulf Section. Competition between the El Paso and Coastal pipeline systems has resulted in significant competition to transport natural gas from each Central Gulf Section.
56. There are substantial barriers to entering any Central Gulf Section. Building additional pipelines to transport natural gas out of each Central Gulf Section would be unlikely, take over two years and not prevent Respondents from raising prices above pre-Acquisition levels.

West Central Gulf of Mexico

57. Sections of the country in which to analyze the effect of the Acquisition are the following offshore natural gas producing areas in the West Central Gulf of Mexico (collectively and individually referred to as "West Central Gulf Sections"):
 - a. northern West Cameron (the area bounded by the following blocks: West Cameron 148; West Cameron 144, West Cameron 248, West Cameron 244);
 - b. northwestern West Cameron and Northern West Cameron West Addition (the area bounded by the following blocks: West Cameron 53, West Cameron 56, West Cameron 168, West Cameron 185, West Cameron West Addition 288, West Cameron West Addition 161); and
 - c. West Cameron 167 (the area consisting of block West Cameron 167).

The west central part of the Gulf of Mexico is off the coast of Louisiana in or around portions of the areas known by the Department of Interior assigned names of West Cameron, West Cameron West Addition, West Cameron South Addition, East Cameron, East Cameron South Addition, Vermilion South Addition, High Island South Addition, High Island East Addition South Extension, East Breaks, Alaminos Canyon, Keathley Canyon and Garden Banks.

58. Consumption of natural gas in each West Central Gulf Section is well below natural gas production levels. Most production is transported to areas in the Midwestern and Eastern United States.
59. West Central Gulf of Mexico producers either contract directly with natural gas consumers or sell the natural gas to marketers who resell the natural gas. Neither the producers nor the marketers of West Central Gulf of Mexico natural gas have an alternative to using the natural gas pipelines located in each West Central Gulf Section to transport natural gas out that Section.
60. El Paso, through its subsidiaries or 50% ownership of Deepwater Holdings L.L.C. (50% owned by Coastal), owns all or part of the Bluewater (southwest leg), High Island Offshore System, U-T Offshore System, Stingray and East Breaks Gathering System pipelines and related facilities. El Paso is one of the major transporters of natural gas out of each West Central Gulf Section.
61. Coastal, through its subsidiaries or 50% ownership of Deepwater Holdings L.L.C., owns all or part of the ANR (Grand Chenier), High Island Offshore System, U-T Offshore System, Stingray and the East Breaks Gathering System pipelines and related facilities. Coastal is one of the major transporters of natural gas out of each West Central Gulf Section.
62. Together Respondents own or control a significant share of all pipeline capacity out of each West Central Gulf Section. For some natural gas producers, Respondents' pipelines are the only alternatives.
63. El Paso and Coastal are ongoing, actual potential, and perceived potential competitors in each West Central Gulf Section. Competition between the El Paso and Coastal pipeline systems has resulted in significant competition to transport natural gas from each West Central Gulf Section.
64. There are substantial barriers to entering any West Central Gulf Section. Building additional pipelines to transport natural gas out of each West Central Gulf Section would be unlikely, take over two years and not prevent Respondents from raising prices above pre-Acquisition levels.

**COUNT I:
LOSS OF COMPETITION IN CENTRAL FLORIDA**

65. Paragraphs 1 - 64 are incorporated by reference as if fully set forth herein.
66. One relevant product market in which to assess the effect of the Acquisition is long term firm transportation of natural gas.
67. One relevant geographic market in which to assess the effect of the Acquisition is Central Florida.
68. Central Florida is a highly concentrated market and the Acquisition, if consummated, will substantially increase that concentration.
69. Entry into the Central Florida market would not be timely, likely or sufficient to prevent likely anticompetitive effects arising from the Acquisition.
70. The Acquisition will eliminate ongoing competition, actual potential competition and perceived potential competition between Respondents with the likely result of maintaining prices and reducing output of natural gas transportation in Central Florida, and thereby increasing the cost of natural gas service, electricity and industrial products.

**COUNT II:
LOSS OF COMPETITION IN THE
BUFFALO-NIAGARA FALLS, ROCHESTER, SYRACUSE,
AND ALBANY-SCHENECTADY-TROY MSAs**

71. Paragraphs 1 - 64 are incorporated by reference as if fully set forth herein.
72. One relevant product market in which to assess the effect of the Acquisition is long term firm transportation of natural gas.
73. Relevant geographic markets in which to assess the effect of the Acquisition are the Buffalo-Niagara Falls, Rochester, Syracuse and Albany-Schenectady-Troy MSAs.
74. These relevant markets are highly concentrated and the Acquisition, if consummated, will substantially increase that concentration.
75. Entry into any of the Buffalo-Niagara Falls, Rochester, Syracuse and Albany-Schenectady-Troy MSA markets would not be timely, likely or sufficient to prevent likely anticompetitive effects arising from the Acquisition.

76. The Acquisition will eliminate ongoing competition in each relevant market between Respondents with the likely result of raising rates and reducing output of natural gas transportation in each relevant market, and thereby increasing the cost of natural gas service, electricity and industrial products.

**COUNT III:
LOSS OF COMPETITION IN THE MILWAUKEE-WAUKESHA PMSA**

77. Paragraphs 1 - 64 are incorporated by reference as if fully set forth herein.
78. One relevant product market in which to assess the effect of the Acquisition is the provision of tailored services.
79. One relevant geographic market in which to assess the effect of the Acquisition is the Milwaukee-Waukesha PMSA.
80. The Milwaukee-Waukesha PMSA market is highly concentrated and the Acquisition, if consummated, will substantially increase that concentration.
81. Entry into the Milwaukee-Waukesha PMSA market would not be timely, likely or sufficient to prevent likely anticompetitive effects arising from the Acquisition.
82. The Acquisition will threaten ongoing competition, actual potential competition and perceived potential competition by permitting the Respondents to deny the rival Guardian pipeline and any potential rivals of Coastal's ANR pipeline timely access to tailored services or competitive prices for tailored services across El Paso's MGT pipeline with the likely result of maintaining rates and reducing output of tailored services in the relevant market, and thereby increasing the cost of natural gas service.

**COUNT IV:
LOSS OF COMPETITION IN THE EVANSVILLE AREA**

83. Paragraphs 1 - 64 are incorporated by reference as if fully set forth herein.
84. One relevant product market in which to assess the effect of the Acquisition is long term firm transportation of natural gas.
85. One relevant geographic market in which to assess the effect of the Acquisition is the Evansville Area.
86. The Evansville Area market is highly concentrated and the Acquisition, if consummated, will substantially increase that concentration.

87. Entry into the Evansville Area market would not be timely, likely or sufficient to prevent likely anticompetitive effects arising from the Acquisition.
88. The Acquisition will eliminate ongoing competition between Respondents with the likely result of raising rates and reducing output of natural gas transportation in the Evansville Area market and thereby increasing the cost of natural gas service, electricity and industrial products.

**COUNT V:
LOSS OF COMPETITION IN THE CENTRAL GULF OF MEXICO**

89. Paragraphs 1 - 64 are incorporated by reference as if fully set forth herein.
90. One relevant product market in which to assess the effect of the Acquisition is transportation of natural gas.
91. Relevant geographic markets in which to assess the effect of the Acquisition are the Central Gulf Sections identified in Paragraph 49.
92. The Central Gulf Sections are highly concentrated markets and the Acquisition, if consummated, will substantially increase that concentration.
93. Entry into any Central Gulf Section would not be timely, likely or sufficient to prevent likely anticompetitive effects arising from the Acquisition.
94. The Acquisition will eliminate ongoing, actual potential and perceived potential competition between Respondents with the likely result of raising rates and reducing output of natural gas transportation in each Central Gulf Section, and diminishing production of natural gas in each Central Gulf Section.

**COUNT VI:
LOSS OF COMPETITION IN THE WEST CENTRAL GULF OF MEXICO**

95. Paragraphs 1 - 64 are incorporated by reference as if fully set forth herein.
96. One relevant product market in which to assess the effect of the Acquisition is transportation of natural gas.
97. Relevant geographic markets in which to assess the effect of the Acquisition are the West Central Gulf Sections identified in Paragraph 57.
98. Each West Central Gulf Section is a highly concentrated market and the Acquisition, if consummated, will substantially increase that concentration.

99. Entry into any West Central Gulf Section would not be timely, likely or sufficient to prevent likely anticompetitive effects arising from the Acquisition.
100. The Acquisition will eliminate ongoing and potential competition between Respondents with the likely result of raising rates and reducing output of natural gas transportation in each West Central Gulf Section, and diminishing production of natural gas in each West Central Gulf Section.

IV. VIOLATIONS CHARGED

101. The merger agreement entered into by Respondents El Paso and Coastal constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.
102. The Acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

IN WITNESS WHEREOF, the Federal Trade Commission, having caused this Complaint to be signed by the Secretary and its official seal affixed, at Washington, D.C., this twenty-ninth day of January, 2001, issues its complaint against respondent.

By the Commission.

SEAL

Benjamin I. Berman
Acting Secretary