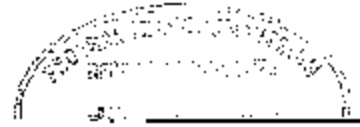


UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION



In the Matter of

CHICAGO BRIDGE & IRON COMPANY N.V. a foreign corporation

CHICAGO BRIDGE & IRON COMPANY, a corporation, and
PITT-DES MOINES, INC., a corporation

Docket No. 9300

PUBLIC

CHICAGO BRIDGE & IRON N.V.'S ANSWER TO COMPLAINT

1/20/77. CDT is without sufficient information to admit or deny the content of the statement.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

of PDM.

CONFIDENTIAL - SECURITY INFORMATION - UNCLASSIFIED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

stored in liquid form in an LNG tank. The stored LNG can be heated, vaporized and put back

ANSWER: CBI admits the allegations of paragraph 15 of the complaint, except CBI denies that LNG storage tanks and LNG liquefaction units are the two essential components of such a facility.

16 LNG import terminals are complexes that are used to receive LNG from

MARKET STRUCTURE

19 Each of the relevant lines of commerce is highly concentrated in the United

ANSWER: CBI denies that each of the relevant lines of commerce is highly concentrated in the United States, and further denies that the United States is the geographic market in which the

significant producers of LNG tanks in the United States, and denies the remainder of the allegations in paragraph 22.

23. The Acquisition combined the only significant producers of LNG tanks in the

ANSWER: CBI denies the allegations of paragraph 23 of the complaint.

24. CBI bids for and sells LNG peak shaving plants, consisting of both the LNG storage tank and the liquefaction unit. In bidding for the construction of new LNG peak shaving

35. Entry into the relevant product markets would not be timely, likely, or sufficient

Acquisition.

ANSWER: CBI denies the allegations of paragraph 35, and states that entry into the United States for the sale and construction of services associated with all of the product types identified by the FTC is not only likely but is actual, is currently timely, and is sufficient in its magnitude, character and scope to deter and counteract the FTC's perceived anticompetitive effects of the

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[The remainder of the page contains multiple lines of text that have been completely redacted with black bars.]

- d. it eliminates innovation competition between CB&I and PDM and may lead to reduced innovation competition in thermal vacuum chambers and in other relevant products;
- e. it may lead to increases in price for the relevant products;

it may give CB&I market power in the relevant markets;

COUNT II – UNFAIR METHOD OF COMPETITION

43. The allegations contained in Paragraphs 1-42 are repeated and realleged as though fully set forth here.


ANSWER: CBI repeats its response to the allegations contained in paragraphs 1 through 42 and realleges them as though fully set forth here.

in Paragraph 8, have engaged in unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45.

ANSWER: CBI denies the allegations of paragraph 44, except to state that the relevant statutes contain proper legal citations.

Date: February 4, 2002

Respectfully submitted by:


Duane M. Kelcy

4. Respondent Pitt-Des Moines, Inc. is a corporation organized and existing under the laws of the State of Pennsylvania, with its principal place of business at 1450 Lake Robbins

ANSWER: PDM admits the facts set forth in paragraph 4 of the complaint.

5. Prior to the Acquisition, described in Paragraph 8, PDM was a diversified engineering and construction company specializing in the engineering and design, procurement, fabrication, erection and rehabilitation of steel products, including liquid and gas

THE ACQUISITION

8. On or about February 7, 2001, CB&I acquired, pursuant to agreement with PDM, PDM's Water Division and Engineered Construction Division for approximately \$84 million ("the Acquisition").

ANSWER: PDM admits that on February 7, 2001, it completed the sale of certain assets to CBI related to PDM's Water Division and Engineered Construction Division. PDM further

[REDACTED]

states that that number has been reduced as a result of post closing adjustments. PDM denies

site.

11. Thermal vacuum chambers are large, field-erected chambers that are used to

ANSWER: PDM admits that LPG tanks are used to store liquefied petroleum gas at low temperatures of approximately -50° F. PDM denies that LPG tanks are always field-erected and denies the remaining allegations of paragraph 14.

~~SYNOPSIS~~

ANSWER: PDM denies that foreign producers of the relevant products are at a cost disadvantage in attempting to compete with PDM or CBI in selling services associated with such

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

22. Prior to the Acquisition, CB&I and PDM were direct and actual competitors in the design, engineering, construction and sale of LNG tanks and were the only significant producers of LNG tanks in the United States. Respondents competed with each other on price, service, and timeliness of project completion.

ANSWER: PDM admits that it competed with CBI in the design, engineering, construction and sale of LNG tanks in the United States. PDM denies that it and CBI were the only

concluded that by refraining from bidding separately for construction of an LNG tank, CB&I would limit to only two competitive bidders, CB&I and PDM/Air Products, the competition for construction of an LNG peak shaving plant.

APPROVED: _____ DATE: _____

[REDACTED]

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30

The Acquisition combined the two largest producers of LNG import terminals in

the United States. The Acquisition may create a monopoly in the United States in LNG import terminals.

ANSWER: PDM denies the allegations of paragraph 30.

31

The Acquisition combined the two largest producers of LNG import terminals in

34. The Acquisition combined the two largest producers of LIN/LOX/LAR tanks in the United States. The Acquisition may create a dominant firm in the United States in LIN/LOX/LAR tanks.

ANSWER: PDM denies the allegations of paragraph 34.

35. Estimate the relevant product markets would not be limited to the United States.

in its magnitude, character and scope to deter or counteract anticompetitive effects of the

ANSWER: PDM denies the allegations of paragraph 37 of the complaint except to state that it lacks sufficient information to admit or deny whether the missing of a satellite delivery deadline can trigger costly liquidated damages clauses. PDM further states that there is an already

[REDACTED]

[REDACTED]

[REDACTED]

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ANSWER: DDM denies the allegations of paragraph 42 and to state that the subject

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PROOF OF SERVICE

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