



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

October 22, 2004

Lindsay Leveen
202 Trestle Glen Terrace
Tiburon, CA 94920

Re: *In the Matter of American Air Liquide, Inc.*, FTC Docket No. C-4109;
Petition of American Air Liquide, Inc. for Approval of the Proposed
Divestiture of the Atmospheric Gases Divestiture Assets and Businesses
to Matheson Tri-Gas, Inc.

Dear Mr. Leveen:

Thank you for the comment that you submitted in connection with the Petition of American Air Liquide, Inc. ("Air Liquide") for Approval of the Proposed Divestiture of the Atmospheric Gases Divestiture Assets and Businesses to Matheson Tri-Gas, Inc. ("Petition") filed in the above-referenced matter. Pursuant to the Decision and Order ("Order") in this matter, Air Liquide has requested the approval of the Federal Trade Commission ("Commission") of the proposed divestiture of the Atmospheric Gases Divestiture Assets and Businesses to Matheson Tri-Gas, Inc. ("Tri-Gas"). The Commission has determined to approve the Petition.

In your comment you state, among other things, that you believe Tri-Gas is overpaying for the Atmospheric Gases Divestiture Assets and Businesses and that, consequently, if the Commission approves Air Liquide's Petition, "prices of industrial gases from the six plants . . . will have to rise by 20% to amortize the capital of \$155 million that [Tri-Gas intends] to pay for the business."

In connection with its evaluation of this proposed transaction, the Commission received information from numerous sources, including the parties to the transaction and third parties.

In evaluating a proposed divestiture, the Commission considers a number of factors. The Commission evaluates the purchase agreement to determine whether all assets to be divested will be conveyed to the proposed buyer, whether any terms would interfere with the proposed buyer's ability to compete in the market, and whether all terms of the purchase agreement are consistent with the requirements of the Commission's orders.

Additionally, in connection with the proposed buyer, the Commission considers its financial viability to determine whether the proposed buyer is financially capable of acquiring the assets to be divested and of maintaining competitive operations once it acquires the assets. It considers the experience and expertise of the proposed buyer in the market of concern to the Commission as well as the proposed buyer's commitment to the market. It considers whether