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UNITED STATES OF AMERICA

- 5. In March 2006, with the effective date for Law 278 approaching, American Petroleum and several competing importers and sellers of lubricating oil adopted a new strategy to pressure the Legislature and the Governor to repeal Law 278. The companies agreed to cease importing lubricating oil, beginning on March 31, 2006, and continuing for so long as Law 278 remained in effect.
- 6. On March 31, 2006, companies in the lubricating oil industry held a press conference in San Juan, with Nelson Soto of American Petroleum acting as the spokesman for the group. Soto announced that: (i) in order to pressure the government, numerous companies have agreed to suspend the importation of lubricating oil; (ii) this action will continue until Law 278 is repealed; and (iii) as existing inventories are depleted, the suspension of imports will result in shortages of lubricating oil throughout the island.
- 7. In December 2006, the Puerto Rico Legislature repealed Law 278.
- 8. The acts and practices of American Petroleum, including the acts and practices alleged herein, are in commerce or affect commerce, as "commerce" is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.
- 9. The agreement among American Petroleum and its competitors to cease importing lubricating oil, as alleged herein, had the purpose and effect, or the tendency and capacity, to restrain competition unreasonably, to increase prices, and to injure consumers.

Violations Alleged

- 10. As set forth in Paragraph 5 above, American Petroleum agreed with competitors to restrict the importation and sale of lubricating oil, in violation of Section 5 of the Federal Trade Commission Act, as amended.
- 11. The acts and practices of respondent, as alleged herein, constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45. Such acts and practices, or the effects thereof, will continue or recur in the absence of appropriate relief.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this _____ day of ______, 2007 issues its complaint against respondent.

By the Commission.

Donald S. Clark Secretary

SEAL: