



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

Office of the Director

AUG 30 2005

Bureau of Competition

Brian Byrne, Esq.
Cleary Gottlieb Steen & Hamilton LLP
2000 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Re: *Proposed Merger Between Valero Energy Corporation and Premcor Inc.,
File No. 051-0145*

Dear Mr. Gelfand and Mr. Byrne:

1. The Commission has conducted a nonpublic investigation to determine