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

3. Respondent is, and at all times relevant herein has been, engaged in commerce, as “commerce” is defined in Section

V. MARKET STRUCTURE

Altoona Area Terminaling Services Markets

10. Three firms, including ArcLight and Gulf, operate terminals in the Altoona market. The terminals owned by ArcLight and Gulf offer both gasoline and distillate terminaling services. The third firm does not offer gasoline terminaling services in the relevant market.

11. The Acquisition, if consummated, would eliminate the only competition in the relevant gasoline terminaling services market and result in a monopoly.

12. The Acquisition would also reduce the number of firms in the Altoona distillate terminaling services market from three to two. Post-acquisition, ArcLight would own the vast majority of the distillate storage capacity in the Altoona market.

Scranton Area Terminaling Services Markets

13. Three firms, including ArcLight and Gulf, operate terminals in the Scranton market. All three firms offer both gasoline and distillate terminaling services.

14. The Acquisition, if consummated, would reduce the number of firms in the relevant markets from three to two. Post-acquisition, ArcLight would own the vast majority of the gasoline and distillate storage capacity in the Scranton market.

Harrisburg Terminaling Services Markets

15. Three firms provide gasoline terminaling services in the Harrisburg market, including ArcLight and Gulf. One additional firm provides distillate terminaling services in the relevant market.

16. The proposed Acquisition would reduce the number of firms providing gasoline terminaling services in the relevant market from three to two. Post-acquisition, ArcLight would own the vast majority of the gasoline storage capacity in the relevant market.

17. The Acquisition, if consummated, would also reduce the number of firms in the market providing distillate terminaling services from four to three. Post-acquisition, ArcLight would own the vast majority of the distillate storage capacity in the Harrisburg market.

V. BARRIERS TO ENTRY

18. Entry into the relevant markets would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects arising from the Acquisition. Barriers to entry are significant and include high sunk costs associated with the construction of a new terminal and

the time required to design, build, and permit a new facility. ArcLight has significant excess capacity in the relevant markets, and this capacity would discourage new entry.