

to act as a tolling manufacturer for the joint venture members. Each joint venture member will have the right to one-third of the Corpus Christi plant's PTA and PET capacity, and each joint venture member will independently procure raw materials and independently sell and distribute the corresponding PTA and PET.

Respondent Alfa S.A.B. de C.V. is a holding company with headquarters in Monterrey, Mexico, and it operates in North America through its subsidiaries, Alpek, S.A.B. de C.V. and

to form a trilateral joint venture, and Respondent CCP submitted an approximately \$1 billion bid for the Corpus Christi plant and related assets, which the bankruptcy court approved as the winning bid on March 29, 2018.

IV. North American PET Market

The Commission's Complaint alleges that a relevant product market in which to analyze the Transaction is the manufacture and sale of PET. PET is a plastic polymer primarily used to make plastic water and soda bottles and other packaging for consumer goods. Consumer goods manufacturers cannot switch to other products without incurring significant costs, as they have large investments in production lines that can only use PET as an input. Furthermore, in many applications, manufacturers and their customers do not favor potential substitutes such as glass, aluminum, and polypropylene, because these materials are bulkier, and more expensive. Consumer goods manufacturing customers thus have no viable or economic substitute for PET.

The Commission's Complaint also alleges that an area no greater than North America is a relevant geographic market in which to analyze the effects of the Transaction. North American manufacturing

VI. The Proposed Consent Agreement

The proposed Consent Agreement remedies the Transa

likely raise competition concerns, the proposed Consent Agreement requires that the Respondents provide the Commission notice of any such acquisition.

Consistent with the anticipated longevity of the Corpus Christi plant and the need for a remedy to continue throughout the CCP undertaking, the term of the proposed Consent Agreement is twenty years. The Commission has appointed Jeff Brennan of McDermott Will & Emery as a monitor to oversee the Respondents' compliance with the provisions in the proposed Consent Agreement. The Respondents must also submit detailed compliance reports that, among other things, identify and describe any instances in which a joint venture member used less than one-third of the Corpus Christi plant's PET or PTA capacity, requested a change in grade of PET produced at the Corpus Christi plant, or requested an expansion of PET, PTA, or other feedstock capacity at the Corpus Christi plant.

The purpose of this analysis is to facilitate public comment on the proposed Consent Agreement, and the Commission does not intend this analysis to constitute an official interpretation of the proposed Consent Agreement or to modify it in any way.