continue to compete head to head in these local markets. Post-Acquisition, the combined entity would be able to raise prices unilaterally in markets where Global and Wheels are close competitors.

Moreover, the Acquisition would enhance the incentives for interdependent behavior in local markets where only two or three competitively constraining independent market participants would remain. Two aspects of the retail fuel industry make it vulnerable to such coordination. First, retail fuel outlets post their fuel prices on price signs that are visible from the street, allowing competitors to easily observe each other's fuel prices. Second, retail fuel outlets regularly track their competitors' fuel prices and change their own prices in response. These repeated interactions give retail fuel outlets familiarity with how their competitors price and how changing prices affect fuel sales.

Entry into each relevant market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects arising from the Acquisition. Significant entry barriers include the availability of attractive real estate, the time and cost associated with constructing a new retail fuel outlet, and the time and uncertainty associated with obtaining necessary permits and approvals.

V. The Consent Agreement

The proposed Order would remedy the Acquisition's likely anticompetitive effects by requiring Global to divest certain Global and Wheels retail fuel assets to Petroleum Marketing Investment Group, LLC ("PMG") in each local market. PMG is an experienced operator of retail fuel sites and will be a new entrant into the local markets.

The proposed Order requires that the divestiture be completed no later than 20 days after Global consummates the Acquisition. The proposed Order further requires Global and Wheels to maintain the economic viability, marketability, and competitiveness of each divestiture asset until the divestiture to PMG is complete.

In addition to requiring outlet divestitures, the proposed Order requires Respondents to obtain prior approval from the Commission before acquiring retail fuel assets within a 2-mile driving distance of any divested outlet for ten years. The prior approval provision is necessary because an acquisition in close proximity to the divested assets likely would raise the same
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an independent third party as a Monitor if necessary to oversee the Respondents' compliance with the requirements of the Order.

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