ANALYSIS OF AGREEMENT CONTAINING
CONSENT ORDERS TO AID PUBLIC COMMENT

In the Matter of Buckeye Partners, L.P.
File No. 211-0144, Docket No. C-4765

I. Introduction

The Federal Trade Commission ("Commission") has accepted for public comment, subject to final approval, an Agreement Containing Consent Order ("Consent Agreement") from IFM Global Infrastructure Fund, Buckeye Partners, L.P. ("Buckeye"), and Magellan Midstream Partners, L.P. ("Magellan") (collectively, the "Respondents"). The Consent Agreement is designed to remedy the anticompetitive effects that likely would result from Buckeye's proposed acquisition from Magellan of 26 light petroleum product ("LPP") terminals, located primarily in th as amended, 15 U.S.C. § 45, by substantially lessening competition for terminaling services for LPPs, and in particular for gasoline, in three relevant geographic markets: North Augusta, South Carolina; Spartanburg, South Carolina; and Montgomery, Alabama.

Petroleum product terminals are critical to the efficient distribution of LPPs. Terminals generally consist of storage tanks that hold LPPs. Terminals receive their supply from pipelines or water vessels. Wholesale petroleum suppliers use tanker trucks for further delivery to move LPPs from the terminals to retail locations and end-use customers. Terminaling services include the cluster of services related to the off-loading, temporary storage, and dispensing of LPPs into trucks.

Under the terms of the proposed Decision and Order ("Order") included in the Consent Agreement, Buckeye must divest all of Magellan's terminals located in North Augusta, South Carolina; Spartanburg, South Carolina; and Montgomery, Alabama, to U.S. Venture, Inc. ("U.S. Venture"), a financially sound buyer with a record of operating successful LPP terminals in other locations. The divestitures will effectively restore an independent terminal operator in each relevant geographic market and will thereby preserve competition in each relevant market. Further, the Commission has issued, and Respondents have agreed to comply with, an Order to Maintain Assets that requires Respondents to operate and maintain the divestiture assets in the normal course of business through the date U.S. Venture acquires the divested assets.

The Commission has placed the Consent Agreement on the public record for 30 days to solicit comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will review the comments received and decide whether it should withdraw, modify, or make the proposed Order final.

II. The Respondents

Buckeyeprovides midstream logistics solutions, primarily consisting of pipeline

competitive concerns as the Acquisition and may fall below the Hart-Scott-Rodino Act premerger notification thresholds. The proposed Order further requires U.S. Venture to obtain prior approval from the Commission for a period of 3 years before transferring any of the divested assets to any buyer, and for a period of 7 additional years to any buyer with an interest in any LLP terminal in any of the 3 relevant geographic markets.

Finally, the proposed Order appoints The Claro Group as an independent third-party monitor to oversee the Respondents compliance with the requirements of the proposed Order. The Claro Group has previous experience serving as a monitor for the Commission in matters relating to natural gas pipelines and retail gasoline outlets.

The purpose of this analysis is to facilitate public comment on the proposed Order, 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.