



Bureau of Competition

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

APR - 6 2007

Dennis DeCota  
Executive Director  
California Service Station and Automotive Repair Association  
1202 Grant Avenue, Suite B1  
Novato, California 94945

Dear Mr. DeCota:

Thank you for your letter to the Federal Trade Commission regarding Tesoro Corporation's proposed acquisition of a refinery in Wilmington, California, from Royal Dutch Shell plc. Your letter has been forwarded to appropriate members of the Commission staff in our Bureau of Competition, and I can assure you that its contents have received careful consideration.

Congress has empowered the Commission to prevent mergers and acquisitions that may substantially lessen competition or tend to create a monopoly, in violation of Section 7 of the Clayton Act<sup>1</sup> or Section 5 of the Federal Trade Commission Act.<sup>2</sup> The Commission and its staff continue to vigorously seek to identify and challenge any merger or acquisition that the agency has a reason to believe violates these statutes. Consistent with statutory requirements and the policies of the federal antitrust agencies, the Commission and the U.S. Department of Justice grant early termination of the statutory pre-merger waiting period at the request of the parties only after the agencies have received all the information that must be submitted with the pre-merger notification, and have determined not to take any enforcement action during the waiting period. On March 27, 2007, the Commission and the Department granted early termination of the Hart-Scott-Rodino pre-merger waiting period for the above-referenced acquisition.<sup>3</sup> A notice of that action, which officially ends the federal pre-merger antitrust review process, was placed on the Commission web site at <http://www.ftc.gov/bc/earlyterm/2007/03/et070327.PDF>.

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<sup>1</sup> 15 U.S.C. § 18.

<sup>2</sup> 15 U.S.C. § 45.

<sup>3</sup> Although a number of statutory provisions and the Rules of the Commission preclude public disclosure as to whether a pre-merger notification has been filed with respect to any particular transaction, there is an exception to this requirement that applies when the parties request, and the Commission and the Department of Justice grant, early termination of the Hart-Scott-Rodino pre-merger waiting period.

I should emphasize that the grant of early termination for a given transaction – or the expiration of that period without the initiation of antitrust law enforcement action – does not preclude the Commission or the Department from taking future action with respect to that transaction at a later date, as appropriate, to protect competition and consumers.<sup>4</sup> I also should note that, in seeking to identify and challenge any merger or acquisition that the agency has a reason to believe violates the above-referenced statutes, the Commission, consistent with the statutory requirements, focuses solely on the proposed merger's impact on competition and consumers.

We appreciate your interest in this subject, and hope that the foregoing information is of assistance. Again, thank you for your letter.

Sincerely,

A handwritten signature in black ink that reads "A. J. Friedman". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alan J. Friedman  
Attorney  
Office of Policy and Coordination

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<sup>4</sup> 15 U.S.C. § 18a(i)(1).

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