

UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION

	)	
In the Matter of	)	
	)	
<b>PHILLIPS PETROLEUM COMPANY ,</b>	)	
a corporation.	)	
	)	Docket No. C-3728
	)	
	)	

COMPLAINT

The Federal Trade Commission ("Commission"), having reason to believe that respondent Phillips Petroleum Company ("Phillips"), through its subsidiary GPM Gas Corporation ("GPM"), is subject to the jurisdiction of the Commission and that Phillips' acquisition of certain gas-gathering assets of ANR Pipeline Company ("ANR"), a subsidiary of the Coastal Corporation, is in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act ("FTC Act"), as amended, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its Complaint pursuant to Section 11 of the Clayton Act, as amended, 15 U.S.C. § 21, and Section 5(b) of the FTC Act, as amended, 15 U.S.C. § 45(b), stating its charges as follows:

**I. PHILLIPS**

**PARAGRAPH ONE:** Respondent Phillips is a corporation organized, existing, and doing business under and by virtue of the laws of the State of Delaware, with its office and principal place of business at Phillips Building, Bartlesville, Oklahoma 74004.

**PARAGRAPH TWO:** Respondent Phillips is, and at all times relevant herein has been, engaged in commerce, as "commerce" is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and is a corporation whose business is in or affects commerce, as "commerce" is defined in Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

**II. THE PROPOSED ACQUISITION**

**PARAGRAPH THREE:** Respondent Phillips, through its subsidiary GPM, entered into a Purchase and Sale Agreement dated January 12, 1996, with ANR to acquire the gas gathering assets currently owned by ANR.

### **III. THE RELEVANT MARKETS**

**PARAGRAPH FOUR:** The relevant line of commerce in which to analyze the effects of the merger is natural gas gathering services i.e., the transportation, for the respondent's own account or for other persons, of natural gas from the wellhead or producing area to a natural gas transmission pipeline or a natural gas processing plant.

**PARAGRAPH FIVE:** The relevant sections of the country in which to analyze the effects of the acquisition are the areas in and around the following townships:

- a. T28N/R24W in Harper County, Oklahoma;
- b. T5N/R28E in Beaver County, Oklahoma;
- c. T29N/R21W in Woods County, Oklahoma;
- d. T24N/R25W in Ellis County, Oklahoma;
- e. T23N/R26W in Ellis Country, Oklahoma;
- f. T1N/R26E in Beaver, Oklahoma; and
- g. T23N/R18W in Woodward, Oklahoma.

**PARAGRAPH SIX:** The relevant line of commerce is highly concentrated in the relevant geographic markets. The acquisition will significantly increase concentration in the relevant geographic markets set forth in Paragraph Five a-g.

**PARAGRAPH SEVEN:** Respondent Phillips is an actual and potential competitor of ANR in the relevant line of commerce in the relevant geographic markets.

**PARAGRAPH EIGHT:** Effective entry in the relevant line of commerce in the relevant geographic markets is unlikely.

### **IV. EFFECTS OF THE MERGER**

**PARAGRAPH NINE:** The effects of the acquisition may be substantially to lessen competition or to tend to create a monopoly in the relevant markets in the following ways, among others:

- a. actual and potential competition between Phillips and ANR to provide natural gas gathering services to existing natural gas wells will be eliminated;
- b. actual and potential competition between Phillips and ANR to provide natural gas gathering services for new natural gas wells will be eliminated; and
- c. the respondent is likely to exact anticompetitive price increases from producers in the relevant geographic market for performance of natural gas gathering services in the relevant geographic markets; and
- d. producers may be less likely to do exploratory and developmental drilling for new natural gas in the relevant geographic markets than prior to the merger.

#### V. VIOLATIONS CHARGED

**PARAGRAPH TEN:** The acquisition agreement described in Paragraph Five constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

**PARAGRAPH ELEVEN:** The acquisition described in Paragraph Five, if consummated, would constitute a violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

**IN WITNESS WHEREOF,** the Federal Trade Commission, having caused this Complaint to be signed by the Secretary and its official seal affixed, at Washington, D.C., this twenty-eighth day of March, 1997, issues its Complaint against respondent.

By the Commission.

Donald S. Clark  
Secretary

SEAL: