



Office of the Secretary

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

October 31, 2006

Jean Nix
P.O. Box 1527
Mont Belvieu, TX 77580

Re: *In the Matter of Dan L. Duncan, et al., File No. 051-0108*

Dear Ms. Nix:

Thank you for your comments regarding the proposed Consent Order accepted by the Federal Trade Commission for public comment in the above-referenced matter. Your letter indicates that you are concerned about the business practices of the respondents in this matter -- Enterprise Products Partners, L.P. ("Enterprise"); its general partner, EPCO, Inc. ("EPCO"); and Dan L. Duncan ("Duncan"), who controls both entities -- in Mont Belvieu, Texas. In particular, your letter states that Enterprise has filed a condemnation action to secure space for a new pipeline, seeking a permanent easement thirty feet in width -- and a temporary work space one hundred feet in width -- across certain property that you and your sister own. Your letter also states that the only viable use of the property is for the sale of pipeline easements; that the property is now a major pipeline corridor, currently crossed by approximately sixty pipelines; and that Enterprise should not be permitted to monopolize either the pipelines or the use of private property in the area.

In August of this year, the Commission accepted for public comment a consent agreement settling allegations in an accompanying complaint that the acquisition by EPCO, through a holding company, of Texas Eastern Products Pipeline Company, LLC, and 2.5 million limited partnership units of TEPPCO Partners, L.P. ("TEPPCO") violated Section 5 of the FTC Act and Section 7 of the Clayton Act. The Commission has reviewed your comments on that consent agreement in connection with its decision concerning whether to accord final approval to the proposed Consent Order, and has also placed your comments on the public record. As you may know, 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 Act¹ or Section 5 of the Federal Trade Commission Act.² The Commission therefore seeks to identify and challenge any merger, acquisition, or joint venture that the agency has a reason to believe violates the foregoing statutes.

¹ 15 U.S.C. § 18.

² 15 U.S.C. § 45.

The Commission conducted its investigation of the combination of the natural gas liquids storage businesses of Enterprise and TEPPCO under common ownership on the basis of those statutory criteria. The investigation indicated in particular that the acquisition significantly increased concentration in the Mont Belvieu market for salt dome storage for natural gas liquids. To address that circumstance, the Consent Order requires Duncan to sell TEPPCO's interests in Mont Belvieu Storage Partners, L.P. -- the 50/50 joint venture with Louis Dreyfus Energy Services L.P. that operates TEPPCO's Mont Belvieu salt dome storage facility -- and certain related pipeline, land, and other assets no later than December 31, 2006, to a buyer approved by the Commission. The Consent Order also contains a number of other provisions that are together intended to maintain the viability of the Mont Belvieu Storage Partners natural gas liquids storage facility, by ensuring that Duncan cannot disadvantage shippers that originate product movements from the Mont Belvieu Storage Partners facility in favor of shippers that originate product movements from the Enterprise storage facility.

With respect to your concern that Enterprise "wants to develop a monopoly of the pipelines in the area . . . ," our investigation did not uncover any credible evidence that Enterprise has or will develop a "monopoly of the pipelines" in Mont Belvieu. With respect to your concern that any condemnation proceedings that may be conducted should follow a market value approach, rather than an eminent domain approach, I should note that the jurisdiction of the Commission to address and prevent unfair methods of competition does not encompass the methods used by federal, state and local governmental entities to carry out condemnation proceedings. For these and other reasons, and after appropriate consideration of your comments, the Commission has determined that the public interest would best be served by issuing the Decision and Order in final form without modification. A copy of the final Decision and Order is enclosed for your information. Relevant materials also are available from the Commission's Website at <http://www.ftc.gov>.

It helps the Commission's analysis to hear from a variety of sources in its work on antitrust and consumer protection issues. We appreciate your interest in this matter.

By direction of the Commission, Commissioner Rosch recused.

Donald S. Clark
Secretary