

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

_____)
In the matter of)
)
UNION OIL COMPANY OF CALIFORNIA,) Docket No. 9305
)
a corporation.)
_____)

DECLARATION OF PATRICK E. GOWER IN SUPPORT OF
BP AMERICA’S MOTION FOR *IN CAMERA* TREATMENT

I, Patrick E. Gower, declare as follows:

1. I am Refining Vice President – U.S. Region, BP Products North America Inc. (“BP Products”). In that capacity, I am responsible for the refining operations of BP West Coast Products, LLC (“BP West Coast”), the BP entity that operates the Carson Refinery. BP Products and BP West Coast are affiliates of BP America Inc. (“BP America”).

2. BP America, BP Products and BP West Coast (collectively referred to herein as “the BP entities” or “BP”) are not parties to the captioned matter.

3. The documents for which the BP entities seek *in camera* treatment, attached as Exhibits A-C hereto, are identified as:

EXHIBIT	RX	PRODUCTION BATES NUMBERS
A	455	BPUNO-0001581 to -1595
B	658	BPUNO-0002591 to -2603
C	667	BPUNO-0001422 to -1427

4. I have reviewed the three documents (Exhibits A-C) for which the BP entities seek *in camera* treatment. As Refining Vice President – U.S. Region, I am familiar with the type of information contained in those documents. I am also generally familiar with the confidentiality protection afforded this type of information by the BP entities. Based upon my review of these documents, my knowledge of the BP entities’ business, and my familiarity with the confidentiality protection that the BP entities afford information of this type, it is my belief that disclosure of these documents to the public

and to competitors of the BP entities would cause serious competitive injury to BP America and/or BP West Coast.

Exhibits

5. Exhibit A (RX 455; BPUNO-0001581 to -1595) is a business and technical planning document dated December 18, 2001 concerning the conversion of a major process unit at BP West Coast's Carson Refinery. This document was created by BP West Coast personnel for internal use and limited distribution. It is my understanding that Exhibit A was produced to Union Oil Company of California ("Unocal") with the designation "Restricted Confidential – Attorney Eyes Only" pursuant to the Protective Order in this matter because the document contains trade secrets of technical and economic nature.

6. Exhibit A contains BP's internal comparative technical and economic analysis of several options that could be used to convert a shut down Carson refinery unit to a unit capable of providing additional competitive advantage to the refinery. The analysis provides BP's estimate of performance of available technology options for the conversion. The analysis includes commercially and technically sensitive parameters such as product yields, product volumes, capital required to implement various options, and the economic benefit to the refinery. BP's technical and business analysis of potential refinery modifications is a source of competitive advantage, and disclosure of this information to competitors would result in serious competitive harm to BP.

7. Additionally, Gary Youngman, the author of the document, has indicated that BP's analysis was based in part on proprietary information supplied by industry technology providers to BP under an obligation of confidentiality, and that the document contains or could implicitly reveal to others such vendors' proprietary information. Disclosure of the document would not only harm BP, but would also harm the technology providers whose proprietary information was used to prepare the analysis and is otherwise protected from disclosure by BP's obligations of confidentiality. Disclosure of the technology providers' information and relative performance as determined by BP for use in the Carson refinery also would put BP at a serious economic disadvantage in negotiating a competitive contract with any of the technology providers, as the providers would have detailed information about both their competitors' processes and the economic value of each process to BP.

8. Exhibit B (RX 658; BPUNO-0002591 to -2603) is a draft confidential financial memorandum dated March 5, 2001 requesting funds to complete major process unit modifications at the Carson Refinery to comply with CARB Phase 3 regulatory requirements. It was prepared by BP West Coast personnel with input from other business units of BP America exclusively for internal review and approval by BP management. I understand that this document was produced to Unocal with the designation "Restricted Confidential – Attorney Eyes Only" pursuant to the Protective Order in this matter because the document contains highly sensitive and detailed

economic analysis of various scenarios for producing gasoline under the current Phase 3 CARB regulations.

9. Exhibit B contains detailed information about pricing sensitivities, production capacities, and blendstock usage and availability. Most importantly, the document reflects BP West Coast's economic analysis – in particular, its internal rate of return calculations – and business strategies concerning its future production of gasoline at the Carson Refinery in compliance with the CARB Phase 3 regulations. For example, page 10 of the document (Exhibit B, RX 659 at BPUNO-0002600) summarizes the results of linear program modeling of twenty-eight (28) different options available to the Carson refinery for complying with CARB Phase 3 regulations, and provides highly guarded information such as the variable margin associated with each scenario. Disclosure of Exhibit B would cause serious and irreparable harm to the competitive position of BP West Coast, as a competitor with access to the information contained in this document would have the ability to determine certain cost structures, production capacities, and blendstock requirements of the Carson Refinery.

10. Exhibit C (RX 667; BPUNO-0001422 to -1427) is a Reciprocal Patent Non-Assertion Agreement between BP America and Chevron U.S.A., Inc. executed by Chevron U.S.A. Inc. on May 15, 2002, along with a transmittal letter between corporate counsel for the parties to the Agreement. This document was created for the exclusive use of the parties to the Agreement. I am informed that Exhibit C was produced to Unocal with the designation "Confidential" pursuant to the Protective Order in this matter. Apart from that production, the Agreement has not been distributed to anyone outside of BP America, Chevron U.S.A., Inc., or their respective Affiliates (as set forth in the Agreement) to the best of my knowledge. Within BP America, the information contained in Exhibit C is known to only a small number of personnel, specifically those involved in developing and negotiating the Agreement. BP America has devoted substantial business and legal resources to the development, negotiation and implementation of Exhibit C.

11. Disclosure of Exhibit C is likely to result in serious competitive injury to BP America and BP West Coast. Other parties with whom BP America and its Affiliates are negotiating or may negotiate similar agreements could use knowledge of Exhibit C or of the terms contained in Exhibit C to their advantage, and to the detriment of BP America, when negotiating the terms of their agreements with BP America, or otherwise use the information in the operation of their businesses to the detriment of the BP entities.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this _____ day of October, 2003, in

_____.

Patrick E. Gower

TABS A – C REDACTED

For reference purposes:

<u>Exhibit</u>	<u>RX</u>	<u>Production Bates Numbers</u>
A	0455	BPUNO-0001581 to -1595
B	0658	BPUNO-0002591 to -2603
C	0667	BPUNO-0001422 to -1427