



Office of the Secretary

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

August 26, 2005

Brian Byrne, Esq.
Cleary, Gottlieb, Steen & Hamilton
2000 Pennsylvania Ave., N.W.
Washington, D.C. 20006-1801

Re: *The Dow Chemical Company/Union Carbide Corporation*
Docket No. C-3999

Dear Mr. Byrne:

On March 15, 2001, the Federal Trade Commission ("Commission") issued a Decision and Order ("Order") to remedy the effects on competition of the acquisition of Union Carbide Corporation by The Dow Chemical Company ("Dow"). The Order became final as to Dow on March 21, 2001.

The Order requires, *inter alia*, Dow to divest assets and businesses relating to the research, development, manufacture, sale, and distribution of ethanolamines to Ineos plc ("Ineos") pursuant to the Ineos Agreement. See Order ¶¶ III.B. and III.H. The Order also requires Dow to divest assets and businesses relating to the Dow Gas Spec MDEA Business to Ineos pursuant to the Ineos Agreement. See Order ¶¶ IV.B. and IV.H. The Ineos Agreement is defined by Order ¶ I.AR., and includes all of the contracts between Dow and Ineos that divest assets and businesses to Ineos. The Ineos Agreement is incorporated by reference into the Order, and any failure to comply with the Ineos Agreement is a failure to comply with the Order. See Order ¶¶ III.H and IV.H. The Ineos Agreement includes agreements requiring Dow to supply Ineos with ethylene oxide from a Dow plant in Plaquemine, LA ("Ethylene Oxide Supply Agreement"), and to supply Ineos with MDEA from a plant in Freeport, TX ("MDEA Supply Agreement"). See Order ¶¶ I.AR.5 and I.AA.2..

On May 16, 2005, Dow filed the Petition Of The Dow Chemical Company For Approval Of Certain Amendments To The Ineos Agreement ("Petition") seeking the Commission's prior approval of modifications to the Ethylene Oxide Supply Agreement ("Proposed Ethylene Oxide Supply Agreement") and MDEA Supply Agreement ("Proposed MDEA Supply Agreement"). This letter responds to the Petition. Dow's Petition was placed on the public record to solicit public comment on May 20, 2005, for 30 days. No comments were received.

The Commission has considered Dow's Petition, as well as other available information, and has determined to approve each of the requested modifications. Any failure by Respondents to comply with the Proposed Ethylene Oxide Supply Agreement or the Proposed MDEA Supply Agreement shall constitute a failure to comply with the Order.

In making its determination, the Commission has relied upon the information submitted and the representations made by Dow.

By direction of the Commission.

C. Landis Plummer
Acting Secretary