



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

April 5, 2018

By Electronic Mail

Sean F. Boland
Baker Botts LLP
The Warner, 1299 Pennsylvania Avenue, NW
Washington, DC 20004

Re: *Valero Energy/Plains All American Pipeline, FTC File No. 161-0220*

Dear Mr. Boland:

The Federal Trade Commission's Bureau of Competition has conducted a nonpublic investigation to determine whether: (1) the proposed sale of Plains All American Pipeline, L.P.'s petroleum terminals in Martinez and Richmond, California to Valero Energy Corporation's wholly controlled affiliate, Valero Energy Partners, L.P. ("the proposed transaction"), might violate Section 7 of the Clayton Act or Section 5 of the Federal Trade Commission Act; and (2) the parties engaged in an improper exchange of competitively-sensitive information, in violation of Section 7A of the Clayton Act or Section 5 of the Federal Trade Commission Act. Although Valero and Plains abandoned the proposed acquisition, Commission staff continued investigating whether Plains improperly disclosed competitively sensitive information to prospective bidders and whether recipients used or could have used that information to harm competition during or after the sale process.

The investigation was prompted by documents submitted by Plains and Valero during the Commission's review of the proposed transaction that raised questions as to whether the parties may have engaged in an improper information exchange during their pre-merger negotiations and due diligence that might have resulted in a lessening of competition in violation of Section 5 of the FTC Act. The safeguards that Plains instituted to protect the information from improper disclosure may not have been properly implemented or followed as prescribed.

While the Commission remains troubled by this conduct, it has determined not to take any additional action at this time based upon a careful review of the totality of the evidence. In reaching this determination, the Commission relies, in part, on representations from Valero's counsel that Valero has now destroyed all nonpublic information obtained from Plains during the pendency of the proposed transaction.

Accordingly, the investigation has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

By direction of the Commission.

Donald S. Clark
Secretary